

Integra Realty Resources
Raleigh

Appraisal of Real Property

Waterfront Land

Vacant Land

North Side of Jeff Road at Lake Hyco

Semora, Person County, North Carolina 27343

Prepared For:

Duke Energy Corporation

Effective Date of the Appraisal:

May 21, 2016

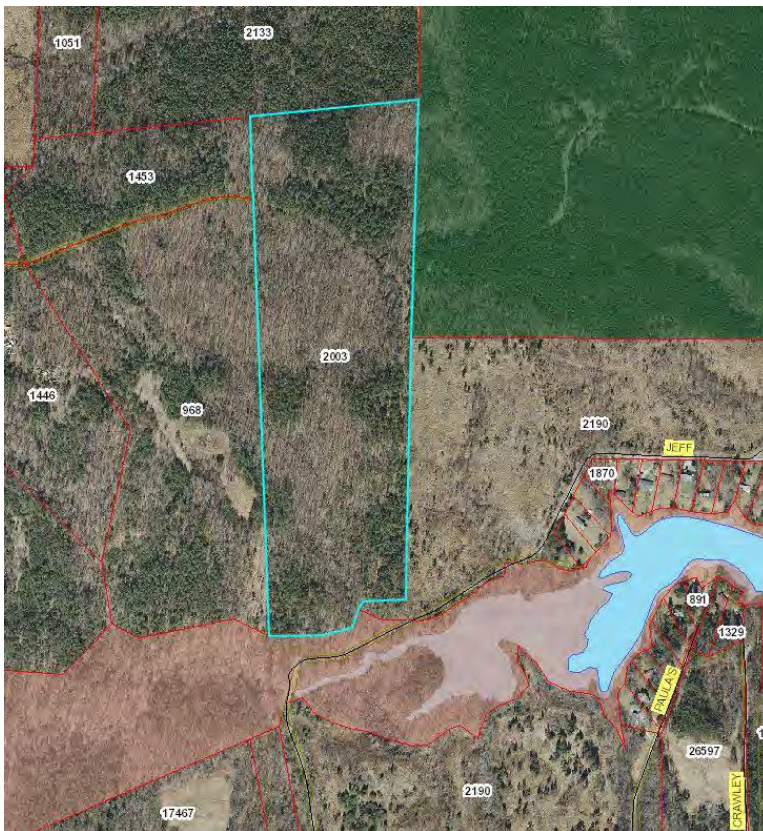
Report Format:

Appraisal Report – Standard Format

IRR - Raleigh

File Number: 167-2016-0307





Waterfront Land

North Side of Jeff Road at Lake Hyco
Semora, North Carolina



June 6, 2016

Mr. Clarke Hobson
Transaction Manager - Commercial Transactions
Duke Energy Corporation
400 South Tryon Street
Charlotte, NC 28201

SUBJECT: Market Value Appraisal
 Waterfront Land
 North Side of Jeff Road at Lake Hyco
 Semora, Person County, North Carolina 27343
 Client Reference: N/A
 IRR - Raleigh File No. 167-2016-0307

Dear Mr. Hobson:

Integra Realty Resources – Raleigh is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value as is of the fee simple interest in the property. The client for the assignment is Duke Energy Corporation, and the intended use is for property disposition purposes.

The subject is a tract of vacant land containing an area of 431.08 acres. The property has approximately 20,750 feet of lake frontage, or 3.93 miles, on Hyco Lake. The property is zoned R, Residential District, by Person County which permits single-family residential uses. A tax parcel number does not exist for one of the subject tracts.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report –

Mr. Clarke Hobson
 Duke Energy Corporation
 June 6, 2016
 Page 2

Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	May 21, 2016	\$3,630,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The site has legal access off of Jeff Road.
2. The site can be legally sold and has clear and marketable title.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None


If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

INTEGRA REALTY RESOURCES - RALEIGH




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Summary of Salient Facts and Conclusions

Property Name	Waterfront Land
Address	North Side of Jeff Road at Lake Hyco Semora, Person County, North Carolina 27343
Property Type	Land - Other
Owner of Record	Duke Energy Corporation as successor to Carolina Power and Light Company and Progress Energy Carolinas, Inc.
Tax ID	9070-03-13-5472.000 and Unidentified Parcel
Land Area	431.08 acres; 18,777,845 SF
Zoning Designation	R, Residential District
Highest and Best Use	Recreational use
Exposure Time; Marketing Period	12 months; 12 months
Effective Date of the Appraisal	May 21, 2016
Date of the Report	June 6, 2016
Property Interest Appraised	Fee Simple
Sales Comparison Approach	
Number of Sales	5
Range of Sale Dates	Jun 14 to Jun 16
Range of Prices per Linear Foot Of Waterfront (Unadjusted)	\$109 - \$347
Market Value Conclusion	\$3,630,000
The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Duke Energy Corporation may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.	

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The site has legal access off of Jeff Road.
2. The site can be legally sold and has clear and marketable title.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None

General Information

Identification of Subject

The subject is a tract of vacant land containing an area of 431.08 acres. The property has approximately 20,750 feet of lake frontage, or 3.93 miles, on Hyco Lake. The property is zoned R, Residential District, by Person County which permits single-family residential uses. A tax parcel number does not exist for one of the subject tracts. A legal description of the property was not provided.

Property Identification

Property Name	Waterfront Land
Address	North Side of Jeff Road at Lake Hyco Semora, North Carolina 27343
Tax ID	9070-03-13-5472.000 and Unidentified Parcel
Owner of Record	Duke Energy Corporation as successor to Carolina Power and Light Company and Progress Energy Carolinas, Inc.

Land Area Summary

PIN	Map #	SF	Acres
9070-03-13-5472.000	A13 51	1,827,342	41.95
Unidentified Parcel	N/A	16,950,503	389.13
Total		18,777,845	431.08

Source: Survey

The subject consists of two, contiguous tracts of land. The second, larger parcel does not have a tax parcel identification number. Based on our discussions with the Person County Tax Assessor's Office, they do not apply tax parcels to all utility provider-owned tracts. However, they indicated that it appears that the larger subject tract is a legal and salable tract of land. They indicated that the current owner would need to prove ownership and title for a valid sale. We recommend that a current title search, title report, and boundary survey be prepared for the property.

Sale History

The most recent closed sale of the 41.95-acre tract is summarized as follows:

Sale Date	December 20, 2007
Seller	William and Elizabeth Brady
Buyer	Duke Energy Corporation as successor to Carolina Power and Light Company and Progress Energy Carolinas, Inc.
Sale Price	\$600,000
Recording Instrument Number	Deed Book 660, Page 599 of the Person County public records

The property contact indicated that they acquired the smaller tract in order to provide access to the larger tract, which was landlocked. The two tracts, as a single, combined tract, appears to have adequate road frontage and access, which we assume to be correct. We have valued both tracts as a single, combined tract in the appraisal. It is our opinion that the two tracts would be sold together for access purposes.

The smaller parcel contains 41.95 acres. The acquisition price of \$600,000 equates to \$14,303 per acre. Our "as is" value conclusion of the overall subject, on a price per acre basis, is less than the acquisition price of the smaller tract. This is reasonable considering we have provided a single value of the overall tract, as a whole, and there is an inverse relationship between size and price per unit. We also note that the smaller tract was reportedly acquired to provide access to the larger tract. Therefore, a premium might have been paid for the smaller tract. In addition, the smaller tract was acquired near the peak of the real estate market, prior to the Great Recession.

The larger tract appears to have been acquired through multiple transactions as part of a larger site acquisition. These are detailed as follows.

A tract identified as Tract No. 21 was acquired by Carolina Power & Light Company on June 25, 1963 from Carolina Hamlett, Nanie Brandon, Walter and Irene Hamlet, Olander and Edith Hamlet, et al. This transaction was recorded in Deed Book 98, Page 125. The acquisition price was \$10,753. This tract was reported to contain 118.69 acres.

A tract identified as Tract No. 14 was acquired by Carolina Power & Light Company on March 30, 1963 from J.H. and Mira Blalock. This transaction was recorded in Deed Book 98, Page 135. The acquisition price was \$20,629. This tract was reported to contain 209.59 acres.

Two tracts identified as Tract No. 15 and 90G was acquired by Carolina Power & Light Company on September 3, 1963 from W.C. and Hazel Warren, and J.I. and Minnie Warrant. The acquisition price was not disclosed on the deed. Tract No. 15 was reported to contain 75.62 acres. The Tract 90G acreage was not disclosed on the deed.

A 38.68-acre tract was acquired by Carolina Power & Light Company through a court order (power of utility eminent domain) on October 17, 1963 from Saludie Wade, Martha Cooper, et al. The amount of the taking was \$3,734. This transaction was recorded in Deed Book 98, Page 327.

A 355.57-acre tract and a 6.32-acre tract were acquired by Carolina Power & Light Company on December 17, 1963 from Albemarle Paper Manufacturing Company. This transaction was recorded in Deed Book 98, Page 373. The acquisition price was not disclosed on the deed.

A 0.47 of an acre tract and 0.02 of an acre tract was acquired by Carolina Power & Light Company on December 7, 2007. This transaction was recorded in Deed Book 659, Page 218. The acquisition price was \$5,000.

To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date. Furthermore, as of the effective date of the appraisal,

the property is not subject to an agreement of sale or an option to buy, nor is it formally listed for sale. However, it is our understanding that the property might be listed for sale in the future.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value as is of the fee simple interest in the property as of the effective date of the appraisal, May 21, 2016. The date of the report is June 6, 2016. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of As Is Market Value

As is market value is defined as, “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal’s effective date.”

(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471)

Definition of Property Rights Appraised

Fee simple estate is defined as, “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

Intended Use and User

The intended use of the appraisal is for property disposition purposes. The client and intended user is Duke Energy Corporation. The appraisal is not intended for any other use or user. No other parties may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations.

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

We use only the sales comparison approach in developing an opinion of value for the subject. This approach is applicable to the subject because there is an active market for similar properties, and sufficient sales data is available for analysis.

The cost approach is not applicable because there are no improvements that contribute value to the property, and the income approach is not applicable because the subject is not likely to generate rental income in its current state.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

M. Kyle Winters, MAI, ASA, conducted an on-site inspection of the property on May 21, 2016. Due to the large size of the site and semi-limited access, only portions of the property along Jeff Road were inspected.

Chris R. Morris, MAI, FRICS, did not inspect the subject, but did review the report and concurs with the analysis and value conclusions.

Availability of Information

Any information pertinent to the assignment that was not made available to Integra Realty Resources – Raleigh, if applicable, has been addressed as an Extraordinary Assumption in this report. Our inability to obtain this information and consider it in our analysis may affect our value opinion.

Economic Analysis

Person County Area Analysis

Person County is located in northern North Carolina. The county is approximately 392 square miles in size and has a population density of 99 persons per square mile. Person County is part of the Durham-Chapel Hill, NC Metropolitan Statistical Area, hereinafter called the Durham MSA, as defined by the U.S. Office of Management and Budget.

Population

Person County has an estimated 2016 population of 39,011, which represents an average annual 0.2% decrease from the 2010 census of 39,464. Person County lost an average of 76 residents per year over the 2010-2016 period, and its downward trend in population contrasts with the State of North Carolina which had a 0.9% average annual increase in population over this time.

Looking forward, Person County's population is projected to increase at a 0.2% annual rate from 2016-2021, equivalent to the addition of an average of 72 residents per year. Person County's growth rate is expected to lag that of North Carolina, which is projected to be 1.0%.

Population Trends					
	Population			Compound Ann. % Chng	
	2010 Census	2016 Est.	2021 Est.	2010 - 2016	2016 - 2021
Person County	39,464	39,011	39,373	-0.2%	0.2%
North Carolina	9,535,483	10,089,413	10,586,956	0.9%	1.0%

Source: The Nielsen Company

Employment

Total employment in Person County is currently estimated at 9,963 jobs. Between year-end 2004 and the present, employment declined by 1,676 jobs, equivalent to a 14.4% loss over the entire period. There were declines in employment in seven out of the past ten years, influenced in part by the national economic downturn and slow recovery. Although many areas suffered declines in employment over the last decade, Person County underperformed North Carolina, which experienced an increase in employment of 7.6% or 292,853 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Person County unemployment rate has been consistently higher than that of North Carolina, with an average unemployment rate of 8.8% in comparison to a 7.4% rate for North Carolina. A higher unemployment rate is a negative indicator.

Recent data shows that the Person County unemployment rate is 6.0% in comparison to a 5.5% rate for North Carolina, a negative sign that is consistent with the fact that Person County has underperformed North Carolina in the rate of job growth over the past two years.

Person County Area Analysis

Employment Trends						
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Person County	% Change	North Carolina	% Change	Person County	North Carolina
2004	11,639		3,849,400		6.6%	5.5%
2005	11,904	2.3%	3,926,923	2.0%	6.4%	5.2%
2006	11,556	-2.9%	4,065,884	3.5%	6.2%	4.8%
2007	11,042	-4.4%	4,126,685	1.5%	6.7%	4.7%
2008	10,457	-5.3%	4,000,278	-3.1%	7.2%	6.1%
2009	9,926	-5.1%	3,804,059	-4.9%	11.3%	10.6%
2010	9,956	0.3%	3,835,921	0.8%	12.4%	10.9%
2011	9,904	-0.5%	3,889,178	1.4%	11.8%	10.2%
2012	9,804	-1.0%	3,969,167	2.1%	10.9%	9.2%
2013	9,584	-2.2%	4,044,954	1.9%	9.9%	7.9%
2014	9,963	4.0%	4,142,253	2.4%	7.4%	6.1%
Overall Change 2004-2014	-1,676	-14.4%	292,853	7.6%		
Avg Unemp. Rate 2004-2014					8.8%	7.4%
Unemployment Rate - November 2015					6.0%	5.5%

Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Major employers in Person County are shown in the following table.

Major Employers - Person County		
	Name	Number of Employees
1	Person County Board of Education	500-999
2	GKN Automotive Components Inc.	500-999
3	County of Person	500-999
4	Progress Energy Service Co.	250-499
5	Person Memorial Hospital	250-499
6	Eaton Corp	250-499
7	Walmart Associates Inc.	100-249
8	Piedmont Community College	100-249
9	Ameristaff Inc.	100-249
10	Louisiana-Pacific Corp	100-249

Source: 2nd Qtr 2015 NC Commerce, Labor & Economic Analysis Division

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area. Although GDP figures are not available at the county level, data reported for the Durham MSA is considered meaningful when compared to the nation overall, as Person County is part of the MSA and subject to its influence.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the Durham MSA than the United States overall during the past eight years. The Durham MSA has grown at a 1.0% average annual rate while the United States has grown at a 0.8% rate. As the national economy improves, the Durham MSA has recently underperformed the United States. GDP for the Durham MSA rose by 2.1% in 2014 while the United States GDP rose by 2.2%.

The Durham MSA has a per capita GDP of \$73,523, which is 50% greater than the United States GDP of \$49,110. This means that Durham MSA industries and employers are adding relatively more value to the economy than their counterparts in the United States overall.

Gross Domestic Product				
Year	(\$ Mil) Durham MSA	% Change	(\$ Mil) United States	% Change
2007	37,108		14,798,367	
2008	37,862	2.0%	14,718,304	-0.5%
2009	39,073	3.2%	14,320,114	-2.7%
2010	39,757	1.8%	14,628,169	2.2%
2011	37,103	-6.7%	14,833,680	1.4%
2012	36,744	-1.0%	15,127,489	2.0%
2013	39,072	6.3%	15,317,517	1.3%
2014	39,902	2.1%	15,659,221	2.2%
Compound % Chg (2007-2014)		1.0%		0.8%
GDP Per Capita 2014	\$73,523		\$49,110	

Source: Bureau of Economic Analysis and Economy.com; data released September 2015. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2009 dollars.

Income, Education and Age

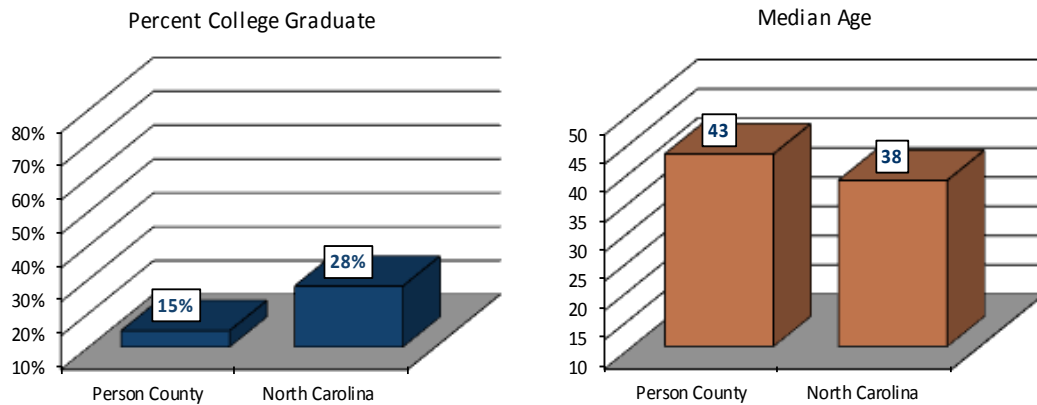
Person County has a considerably lower level of household income than North Carolina. Median household income for Person County is \$40,480, which is 15.3% less than the corresponding figure for North Carolina.

Median Household Income - 2016	
	Median
Person County	\$40,480
North Carolina	\$47,811
Comparison of Person County to North Carolina	- 15.3%

Source: The Nielsen Company

Residents of Person County have a lower level of educational attainment than those of North Carolina. An estimated 15% of Person County residents are college graduates with four-year degrees, versus 28% of North Carolina residents. People in Person County are older than their North Carolina counterparts. The median age for Person County is 43 years, while the median age for North Carolina is 38 years.

Education & Age - 2016

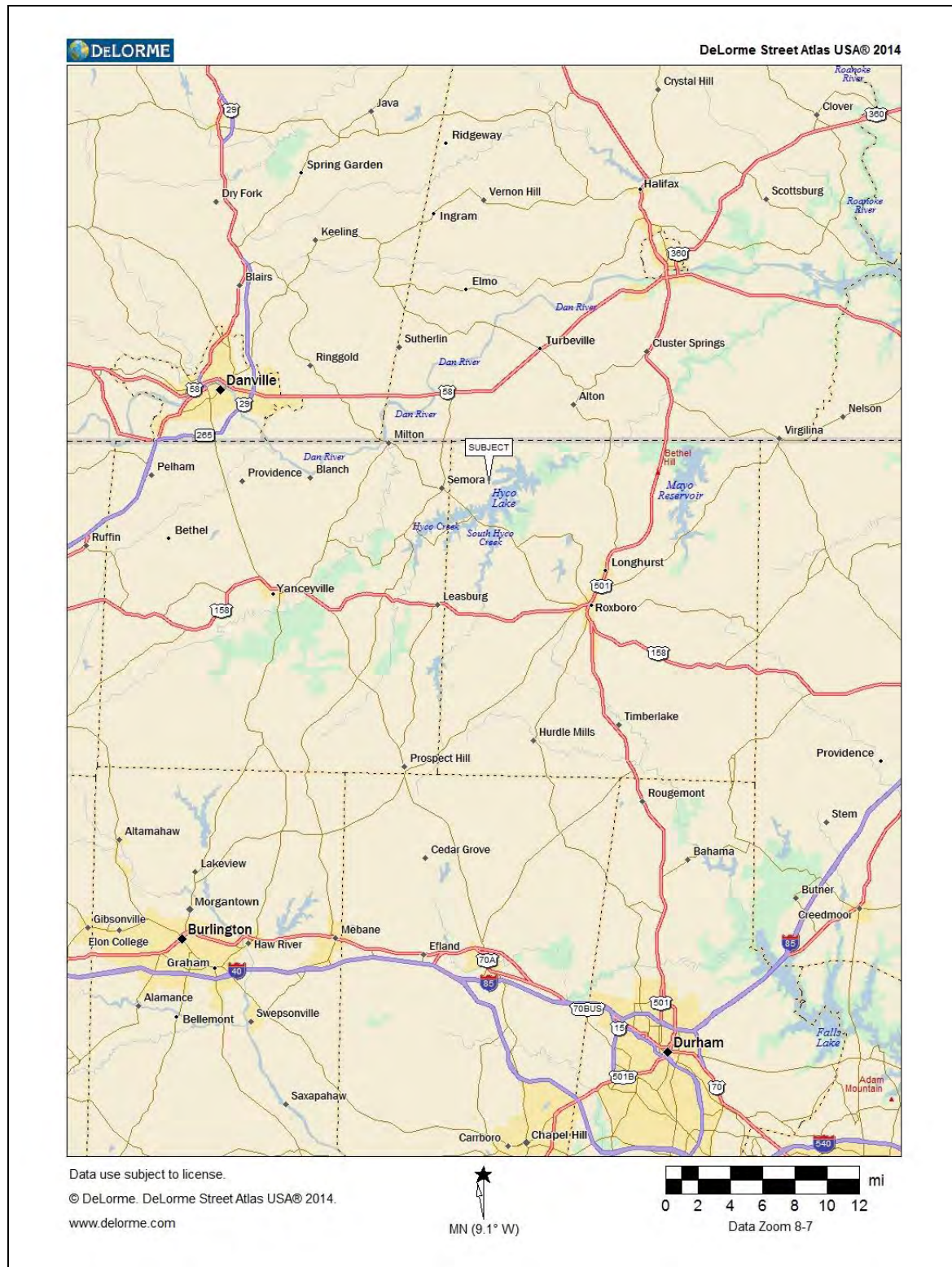


Source: The Nielsen Company

Conclusion

The Person County economy will be affected by a stable to slightly growing population base and lower income and education levels. Person County experienced a substantial loss of jobs over the past decade, and the future trend in employment is difficult to forecast. However, Person County benefits from being part of the Durham MSA, which exhibits both a higher rate of GDP growth and a higher level of GDP per capita than the nation overall. On balance, we anticipate that growth in the Person County economy will be limited, resulting in only a modest level of demand for real estate in general.

Area Map



Surrounding Area Analysis

Location

The subject is located in the town of Semora, Person County, North Carolina. The subject is part of the Durham-Chapel Hill MSA. The subject is located approximately three miles south of the North Carolina/ Virginia state boundary.

Access and Linkages

Primary highway access to the overall area is via US Highways 501, 58, and 158. Direct access to the subject's market area is provided by State Route 57 (Semora Road) and State Route 119 (Cunningham Road). Public transportation is not provided to the area. Overall, the primary mode of transportation in the area is the automobile.

Demand Generators

The subject's market area is generally rural in character. The primary demand generator for the subject is Hyco Lake, which is located adjacent to the subject. Hyco Lake is a man-made lake constructed by Carolina Power & Light Company (now Duke Energy) in the 1960's. The lake covers approximately 3,750 acres with 120 miles of shoreline. The local area is also known for activities such as fishing, boating, and other recreational lake activities.

Based on conversations with brokers in the area, property buyers are a mixture of second/vacation homeowners, retirees, and year-round homeowners. The household growth rate table shown later in this section supports that the likely buyers in the area are second/vacation homeowners.

Second/vacation homebuyers have primarily come from other areas of North Carolina and Virginia. Due to nationwide housing declines, the market for second/vacation homes has declined locally, but has begun to recover.

We have reviewed the Association of Realtors (NAR) 2008 through 2016 Investment and Vacation Home Buyers Surveys, published in March/April of each year. Each annual survey includes statistical information for the prior year. For example, the April 2016 survey includes information for 2015.

In 2015, approximately 36% of vacation homebuyers purchased a distressed property (foreclosure or short sale). All-cash buyers increased from 30% to 38%. Among vacation buyers, 40% purchased in a beach area, 16% purchased in the country, 19% purchased in the mountains, 19% purchased lake front property, and 6% purchased other. Vacation buyers purchased 58% detached single-family homes, 13% townhomes, 25% condominiums, and 4% other. Vacation buyers, on average, purchased a vacation home that was 200 miles from their primary residence.

Vacation Home Statistics		
	Median Price	Total Sales
2007	\$195,000	670,000
2008	\$150,000	436,000
% Change	-23.1%	-34.9%
2008	\$150,000	436,000
2009	\$169,000	471,000
% Change	12.7%	8.0%
2009	\$169,000	471,000
2010	\$150,000	469,000
% Change	-11.2%	-0.4%
2010	\$150,000	469,000
2011	\$121,300	502,000
% Change	-19.1%	7.0%
2011	\$121,300	502,000
2012	\$150,000	553,000
% Change	23.7%	10.2%
2012	\$150,000	553,000
2013	\$168,700	717,000
% Change	12.5%	29.7%
2013	\$168,700	717,000
2014	\$150,000	1,129,000
% Change	-11.1%	57.5%
2014	\$150,000	1,129,000
2015	\$192,000	920,000
% Change	28.0%	-18.5%

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Analysis

Surrounding Area Demographics					
2016 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Person County	North Carolina
Population 2010	120	1,102	3,472	39,464	9,535,483
Population 2016	114	1,049	3,335	39,011	10,089,413
Population 2021	113	1,037	3,312	39,373	10,586,956
Compound % Change 2010-2016	-0.8%	-0.8%	-0.7%	-0.2%	0.9%
Compound % Change 2016-2021	-0.2%	-0.2%	-0.1%	0.2%	1.0%
Households 2010	49	445	1,402	15,826	3,745,155
Households 2016	47	431	1,367	15,731	3,976,162
Households 2021	47	430	1,368	15,921	4,180,534
Compound % Change 2010-2016	-0.5%	-0.5%	-0.4%	-0.1%	1.0%
Compound % Change 2016-2021	-0.1%	-0.1%	0.0%	0.2%	1.0%
Median Household Income 2016	\$41,325	\$41,126	\$38,337	\$40,480	\$47,811
Average Household Size	2.4	2.4	2.4	2.5	2.5
College Graduate %	14%	14%	13%	15%	28%
Median Age	47	47	47	43	38
Owner Occupied %	80%	81%	79%	72%	67%
Renter Occupied %	20%	19%	21%	28%	33%
Median Owner Occupied Housing Value	\$109,058	\$113,421	\$113,481	\$136,713	\$166,216
Median Year Structure Built	1983	1983	1981	1983	1987
Avg. Travel Time to Work in Min.	32	32	33	32	26

Source: The Nielsen Company

As shown above, the current population within a 3-mile radius of the subject is 1,049, and the average household size is 2.4. Population in the area has declined since the 2010 census, and this trend is projected to continue over the next five years. This is in contrast to the population of Person County, which is projected to grow, as discussed previously.

Median household income is \$41,126, which is higher than the household income for Person County. Residents within a 3-mile radius have a similar level of educational attainment to those of Person County, while median owner occupied home values are considerably lower.

It is important to note that the population and household figures declined between 2010 and 2016 within a 1-, 3-, and 5-mile radius of the subject as well as within the county as a whole. Over the next five years the population and households are expected to effectively remain stable.

The table that follows details projected household growth rates based on the prior table. It is our opinion that these growth rates reflect very limited demand for new residential development in the market area.

Household Growth Rates			
	1-Mile	3-Mile	5-Mile
2016	47	431	1,367
2021	47	430	1,368
5-Year Change	0	-1	1
Average Change per Year	0.0	-0.2	0.2

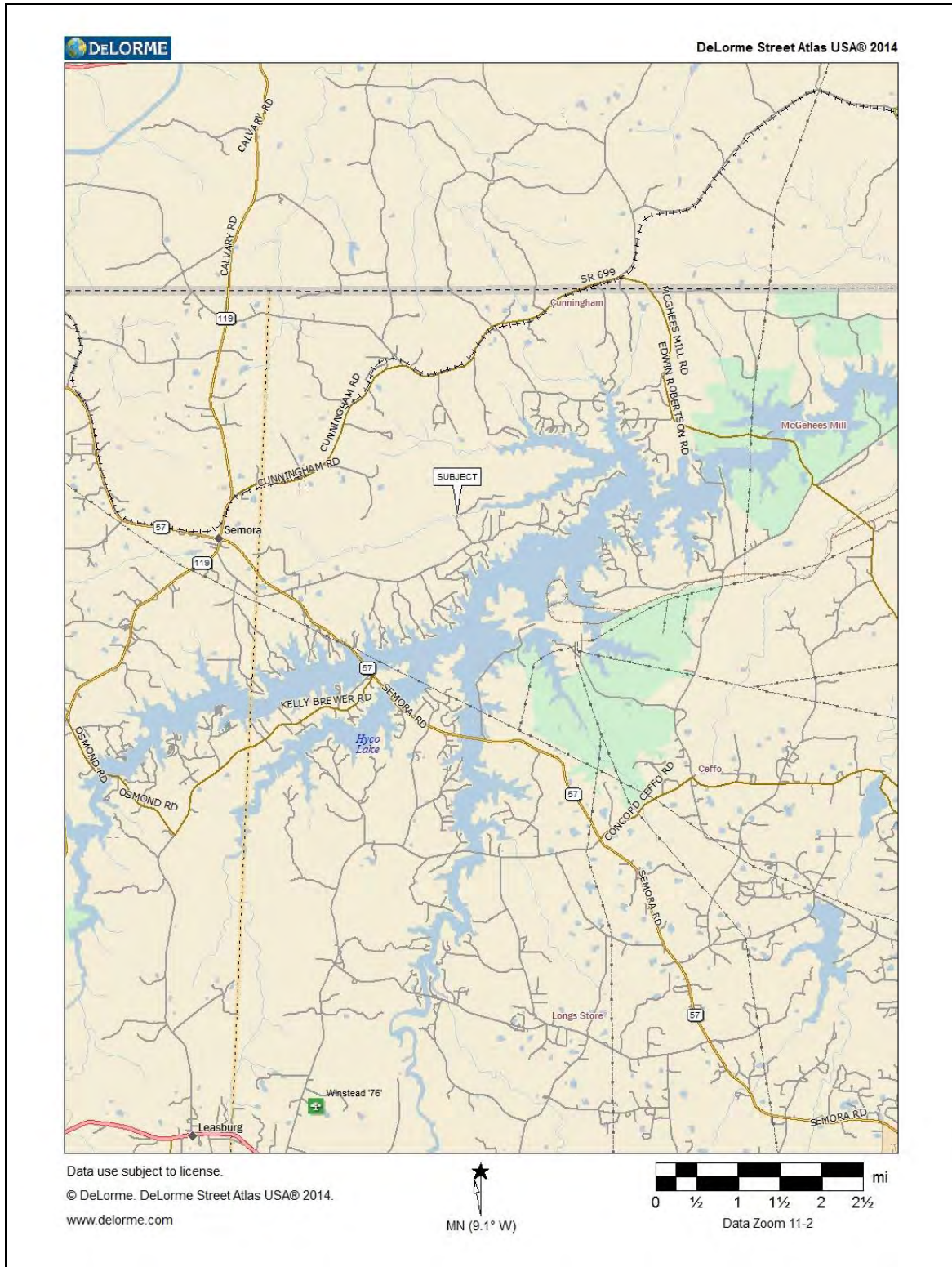
Land Use

The area is rural in character and approximately 20% developed. Land uses immediately surrounding the subject include Hyco Lake and a mixture of vacant land and single-family residential. Typical ages of building improvements range from 10 to 50 years.

Outlook and Conclusions

Declining national housing markets and decreasing discretionary income led to a decline in second home/ vacation home markets, including the subject market. The subject's market area is in a relatively stabilized stage of its life cycle. Real estate values and absorption rates declined over the past several years in the market area. It is our opinion that this represented a correction within a stabilized stage of its life cycle and not a transition to a declining stage. Given the history of the area, it is anticipated that property values will remain stable in the near term.

Surrounding Area Map



Property Analysis

Land Description and Analysis

Land Description	
Land Area	431.08 acres; 18,777,845 SF
Source of Land Area	Survey
Primary Street Frontage	Jeff Road - 680 feet
Shape	Irregular
Corner	No
Rail Access	No
Topography	Gently Sloping
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	37145C9070J
Date	June 4, 2007
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Zoning; Other Regulations	
Zoning Jurisdiction	Person County
Zoning Designation	R
Description	Residential District
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Single-family residential use
Minimum Lot Area	1-acre without water/sewer
Minimum Lot Width (Feet)	100
Minimum Setbacks (Feet)	Front: 25; Side: 20; Rear: 25
Maximum Building Height (Feet)	50
Other Land Use Regulations	We are not aware of any land use regulations, other than zoning, that affect the subject site.
Utilities	
Service	Provider
Water	Private well required
Sewer	Private septic required
Electricity	Duke Energy
Natural Gas	N/A
Local Phone	Various providers

Land Area Summary

PIN	Map #	SF	Acres
9070-03-13-5472.000	A13 51	1,827,342	41.95
Unidentified Parcel	N/A	16,950,503	389.13
Total		18,777,845	431.08
Source: Survey			

The majority of the site is located in Flood Zone X as indicated in the prior table. The subject's property boundary along Hyco Lake is located in Flood Zone AE, which is within the 100-year floodplain. This is typical for lakefront properties and considering the size of the subject, it is our opinion that the floodplain does not have an adverse effect on the subject site.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

Easements, Encroachments and Restrictions

We were not provided a current title report to review. We were provided with a survey of both tracts. The 41.95-acre tract has an access easement along its northern property boundary. It is our opinion that this easement does not have an adverse effect on value. We note that this access easement appears to terminate into the 389.13-acre tract.

The existing Jeff Road is a gravel road which appears to be state maintained. GIS maps do not appear to show Jeff Road physically touching the 41.95-acre parcel. However, the land area between Jeff Road and the 41.95-acre parcel does not appear to be a separate tax parcel, but appears to potentially be a part of a lake tributary. We assume that the subject has legal and adequate frontage and access on Jeff Road.

The 389.13-acre tract has a 30-foot wide Piedmont Electric Membership Corp. right-of-way that traverses through the center of the site in a northeast/southwest direction. Considering the large size of the site and location of the right-of-way, it is our opinion that it does not have an adverse effect on value.

We are not aware of any other easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title. We recommend that a current survey and title report be prepared for the subject.

Conclusion of Land Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. We are not aware of any other particular restrictions on development.



View northeast on Jeff Rd, subject to left
(Photo Taken on May 21, 2016)

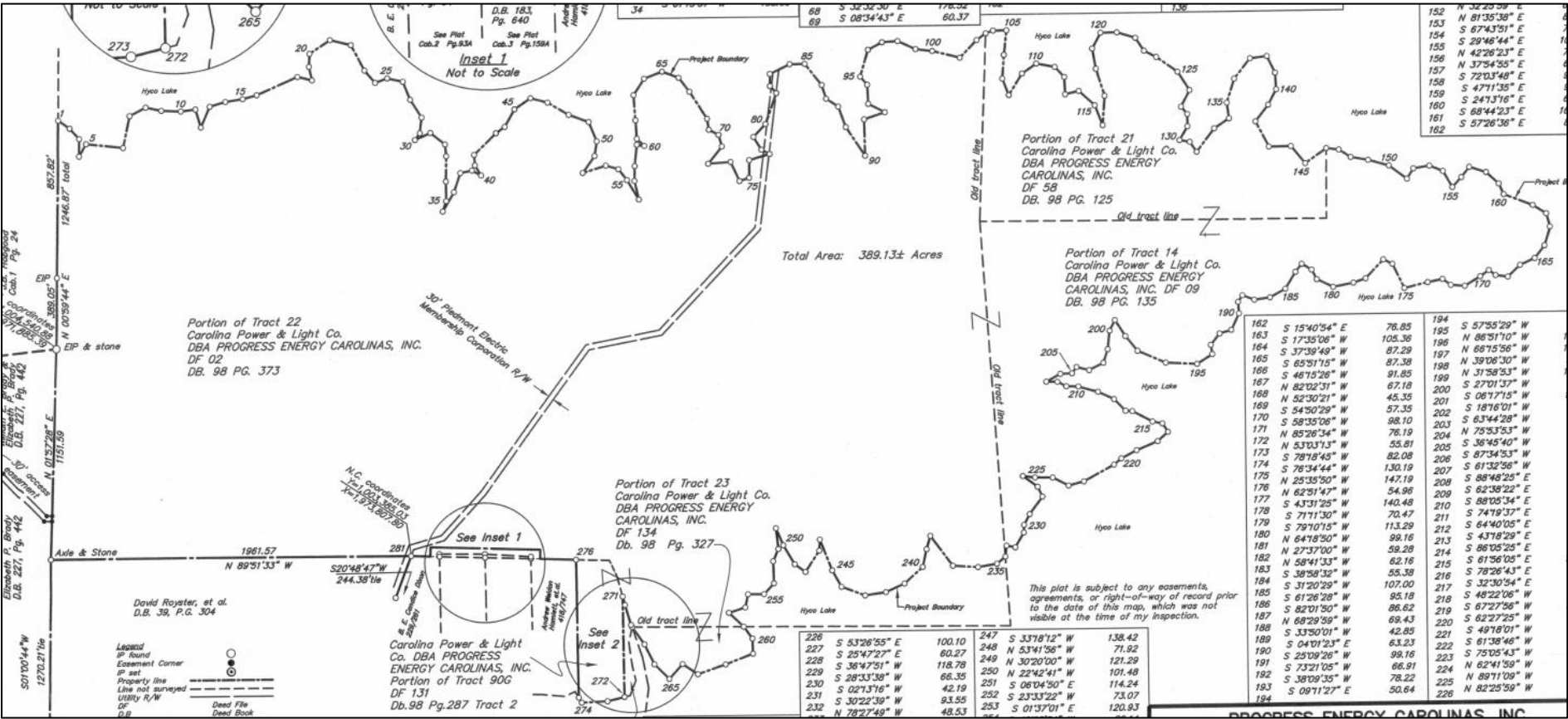


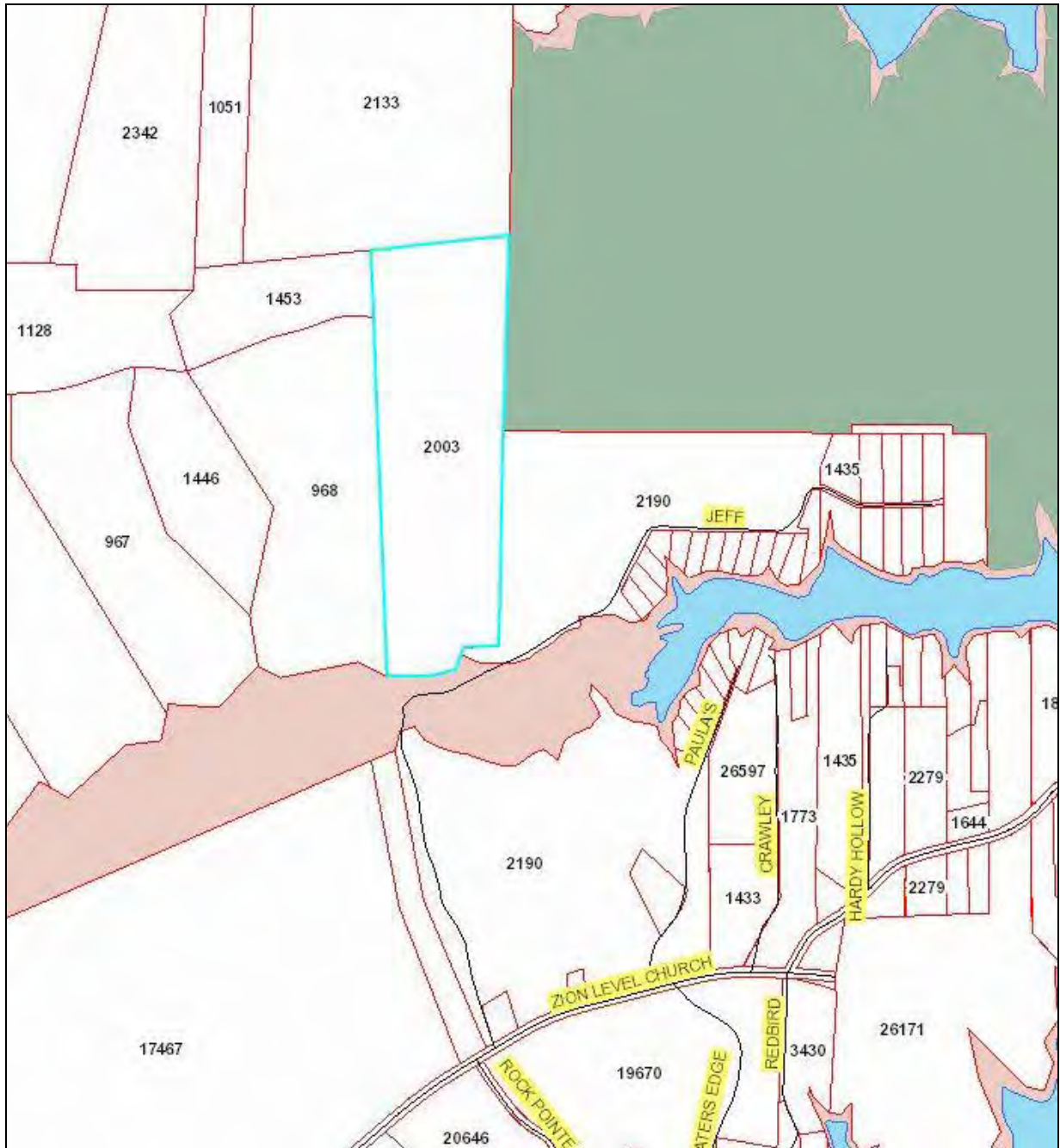
View southwest on Jeff Rd, subject to right
(Photo Taken on May 21, 2016)



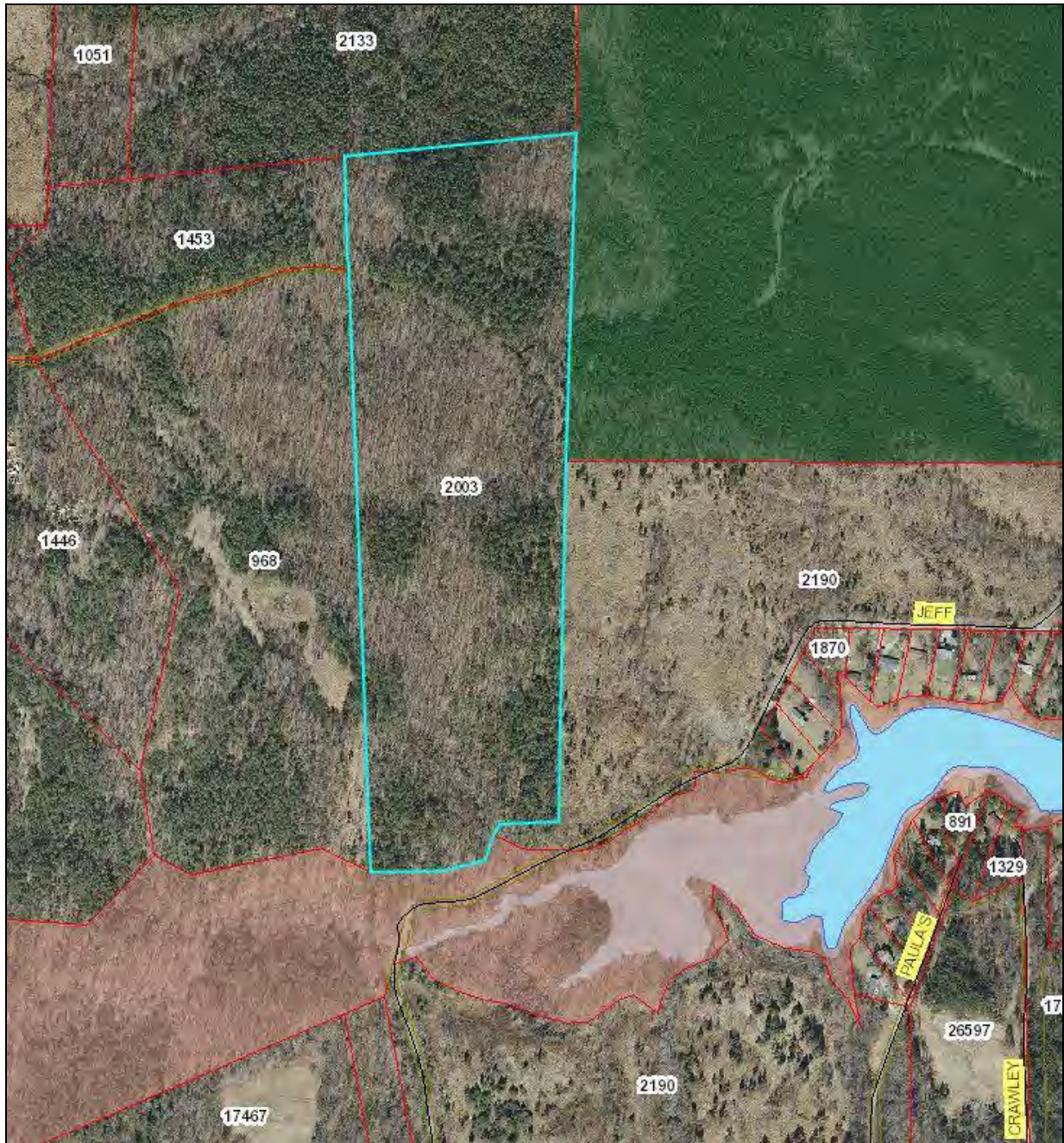
View towards subject site from Jeff Rd
(Photo Taken on May 21, 2016)

Survey - 389.13-Acre Tract

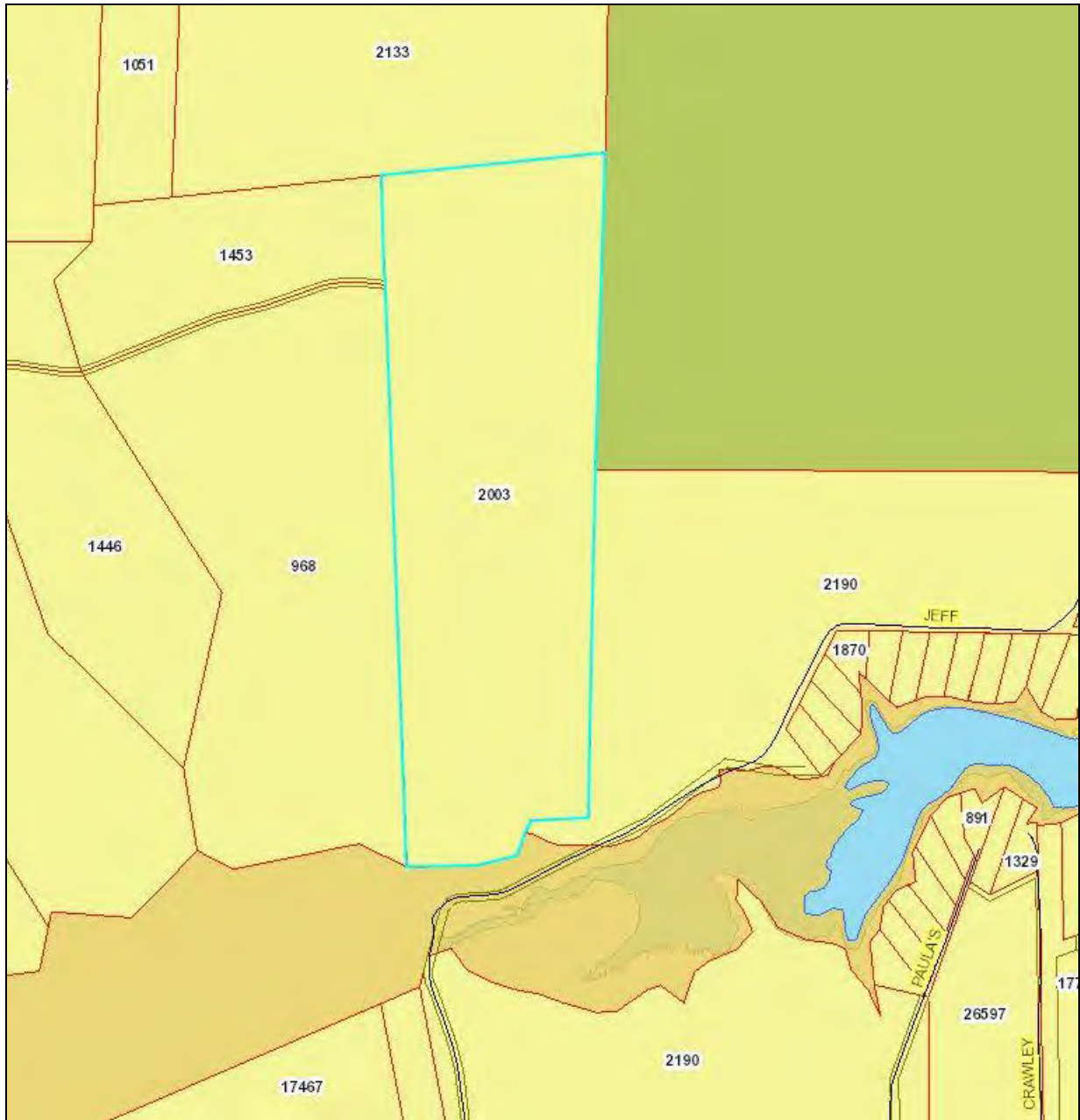


Tax Map – 41.95-Acre Tract

The 389.13-acre tract is located to the northeast of the 41.95-acre tract. The 389.13-acre tract is highlighted in green above.

Aerial Map – 41.95-Acre Tract

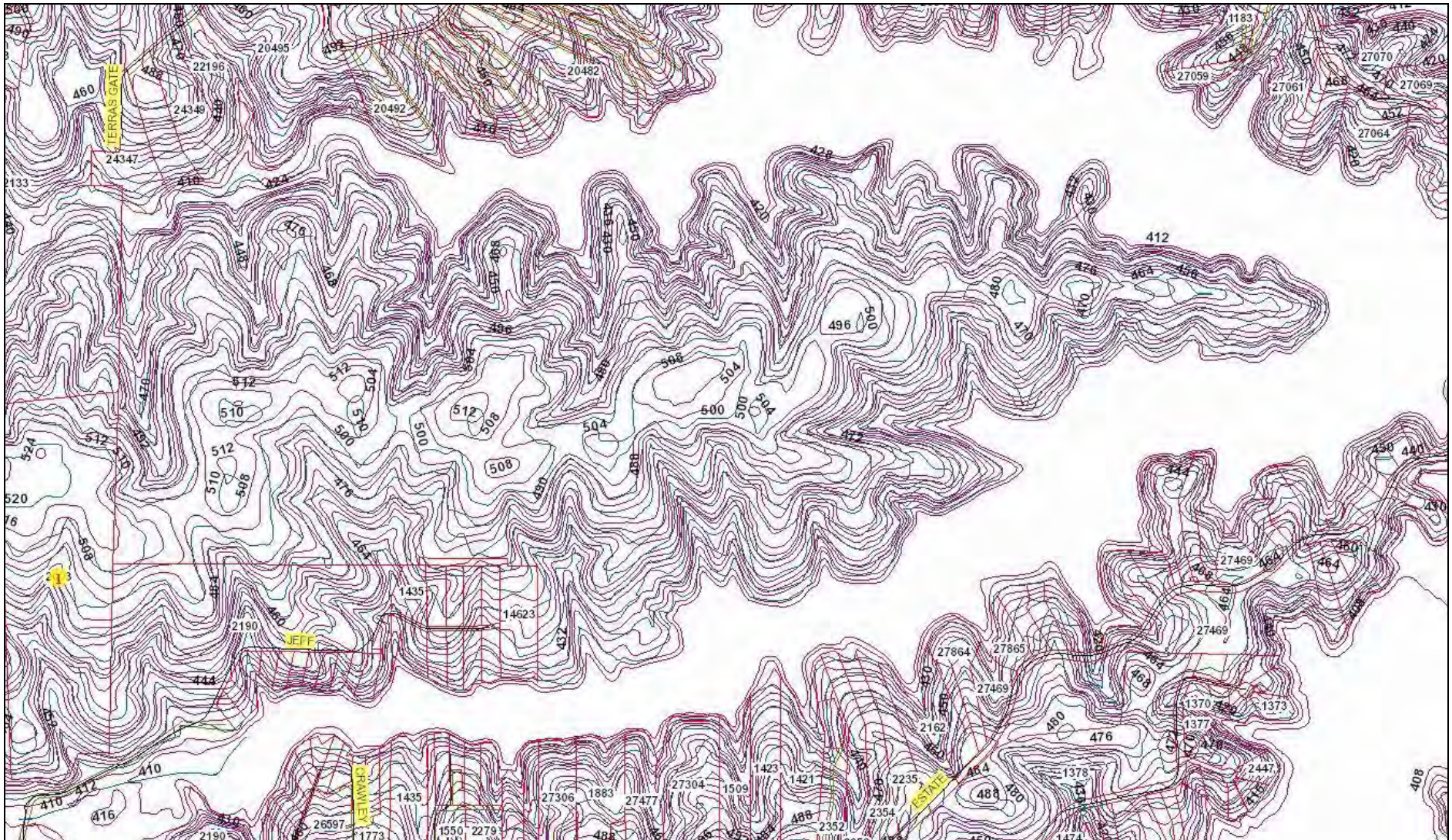
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Zoning Map – 41.95-Acre Tract

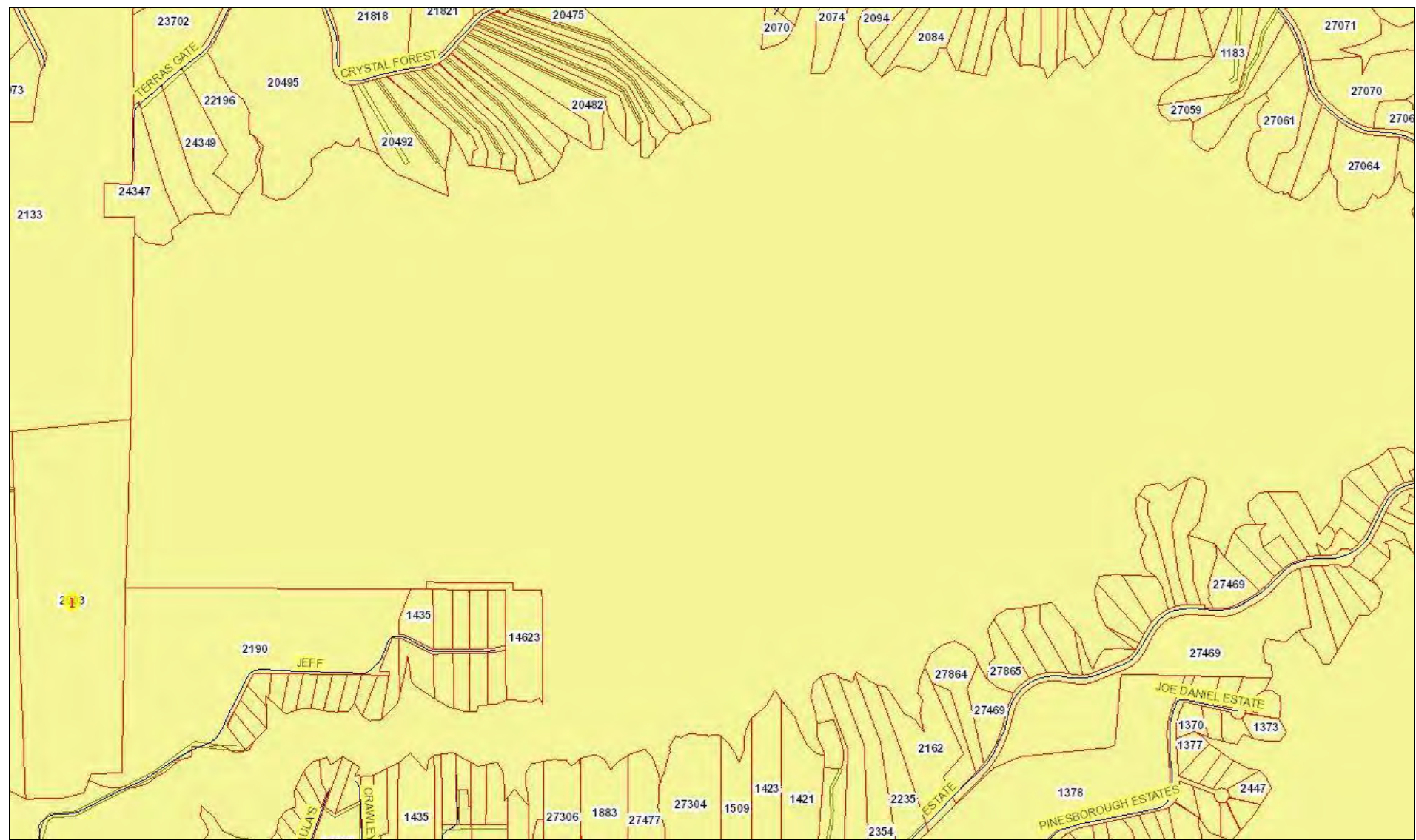
Tax Map – 389.13-Acre Tract (Center Peninsula in Green)

Aerial Map – 389.13-Acre Tract

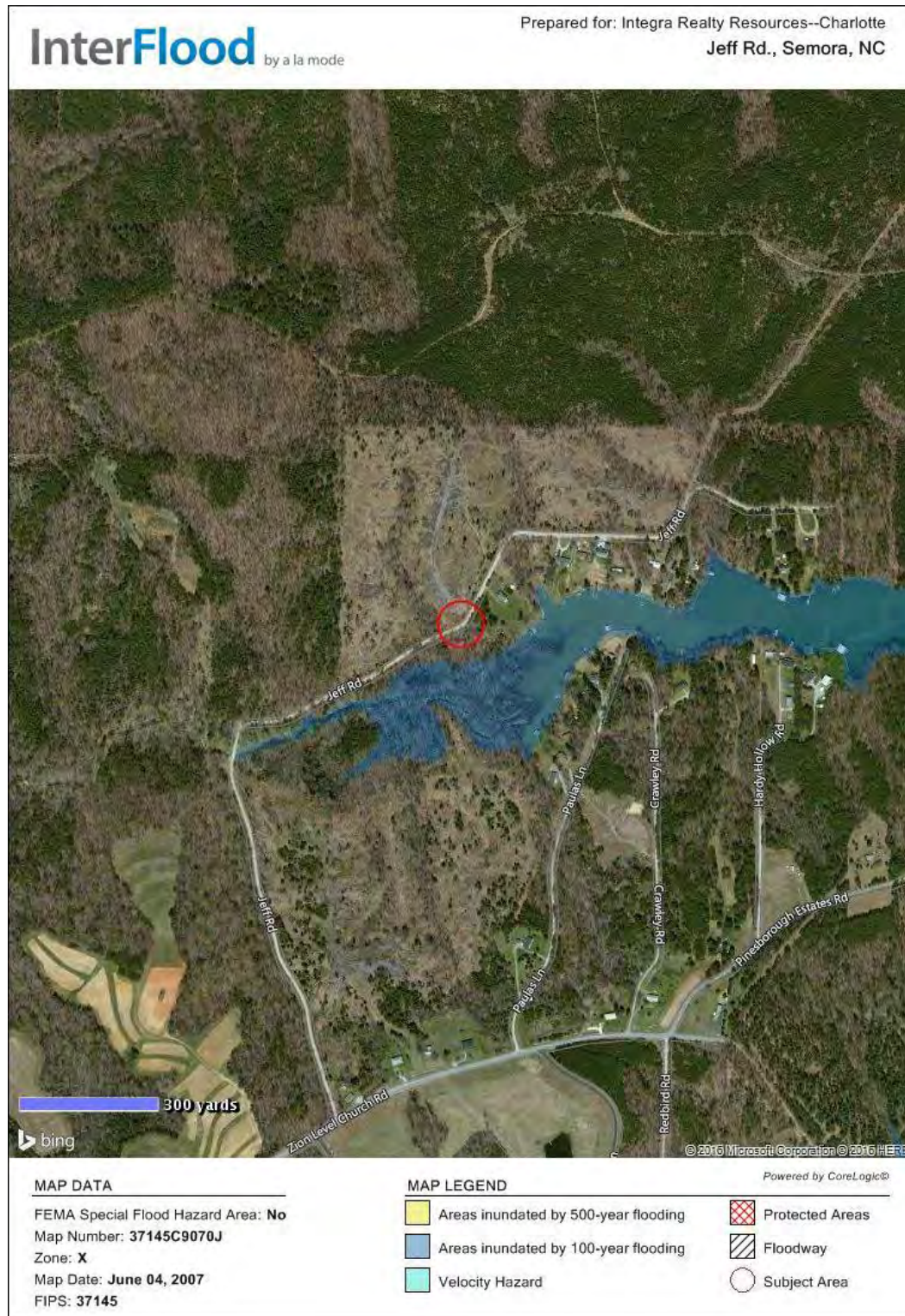


Topography Map – 389.13-Acre Tract

Zoning Map – 389.13-Acre Tract



Flood Map



Real Estate Taxes

Real estate taxes in this state and jurisdiction represent Ad Valorem, meaning a tax is applied in proportion to value. Real estate tax assessments are administered by Person County and are based on 100% of market value (fee simple interest). The tax burden for an individual property is determined by dividing the assessed value by \$100, then multiplying the estimate by the composite tax rate.

Counties in North Carolina are required to reassess property values a minimum of once every eight years. Person County's most recent revaluation occurred on January 1, 2013 with the next scheduled for January 1, 2021. There is no reassessment at sale in counties in North Carolina and only substantial renovation, addition, demolition, or appeal can change a valuation outside of the countywide revaluation.

As of the effective date of the report, the 2016 tax rates had not yet been released. Tax rates in this jurisdiction typically remain relatively stable in between revaluation years. The subject's 2015 tax rates and our 2016 estimated, composite tax rate is detailed in the table that follows.

Subject Tax Rates	
	Rate per
District	\$100
County	\$0.7000
City	N/A
Fire	N/A
Other	N/A
Total Tax Rate	\$0.7000
Estimated Change	N/A
Estimated Tax Rate	\$0.7000

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2016 (Estimate)									
Tax ID	Assessed Value				Taxes and Assessments				
	Land	Improvements	Total	Ratio	Total	Tax Rate	Ad Valorem Taxes	Additional Assessments/ Credits	Total
9070-03-13-5472.000	\$0	\$0	\$0	100%	\$0	\$0.700	\$0	\$0	\$0
Unidentified Parcel	\$0	\$0	\$0	100%	\$0	\$0.700	\$0	\$0	\$0
Total	\$0	\$0	\$0		\$0		\$0	\$0	\$0

We spoke with the Person County Tax Assessor's Department. They stated that they do not assess parcels owned by utility providers. Therefore, the subject tracts do not have assessed values and do not appear to have tax bills. We note that upon a sale of the subject to a non-utility, the subject would most likely received assessed values and the "unidentified parcel" would most likely receive a tax parcel number.

Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as vacant, and as improved. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As Vacant

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The site is zoned R, Residential District. Permitted uses include single-family residential use. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, residential, industrial, and recreational uses are given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on our analysis of the market, there is currently limited demand for residential subdivision and development of the property. This is evidenced by population and household declines as previously discussed. It appears that a newly developed residential subdivision on the site would not have a value commensurate with its cost; thus, this use is not considered to be financially feasible at the current time.

It is our opinion that the financially feasible use of the property is for recreational use which could include hunting, fishing, horseback riding, ATV riding, etc. A potential buyer might also construct a single home/cabin on the property or use the property for a family compound.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than recreational use. Accordingly, it is our opinion that recreational use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Recreational use, which could include a residential component, is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as vacant. We note that as part of this use, it could possibly include one, single-family home or cabin, or possibly a family compound. A potential alternative use of the site could be for large, estate-sized lots; however, the subject's access off of a gravel road would likely limit the feasibility of this alternative use.

As Improved

No vertical improvements are situated on the subject. Therefore, a highest and best analysis as improved is not applicable.

Most Probable Buyer

Taking into account the functional utility of the site and area development trends, the probable buyer is an owner-user. An alternative purchaser could be an investor/land speculator or a conservancy.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

Sales Comparison Approach

To develop an opinion of the subject's land value, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties.

Our sales research focused on transactions within the following parameters:

- Location: Waterfront (lake and river) tracts in North Carolina and South Carolina (see comments that follow)
- Size: 100+ Acres
- Use: Single-family residential and recreational
- Transaction Date: Three years prior to the effective date of the appraisal

We contacted the Person County Tax Assessor's Office. The representative stated that they were not aware of any large-tract, waterfront land sales on Lake Hyco over the past several years.

We searched the Triangle MLS, which covers Lake Hyco and did not find any recent, comparable, large-tract land sales. We spoke with Terri Reynolds, a real estate broker at West & Woodall which is at Hyco Lake. Ms. Reynolds was not aware of any large-tract, lakefront land sales and was not able to offer an opinion of value for the subject site. We spoke with Tammy Snead, a real estate broker at Pointer & Associates at Hyco Lake. Ms. Snead was not aware of any large-tract, lakefront land sales and was not able to offer an opinion of value for the subject site.

We spoke with Kirk West, a real estate broker at West & Woodall. He stated that he was involved in a contract on the subject property around 2007 (pre-Great Recession). The contract price was reported to be approximately \$13,000,000, which indicates a contract price of \$30,157 per acre. Mr. West stated that the buyer was an investor/developer who intended to develop the site into at least 100, single-family residential lots. The developer was going to have to widen and pave Jeff Road (currently gravel) to NCDOT standards in order to provide adequate public access to the developed lots. Based on GIS measurements, we have estimated the length of Jeff Road from Zion Level Church Road to the subject at 2,400 linear feet. Mr. West stated that the developer was also going to have to install a private septic treatment facility to serve the lots and that the lots would also have to be on either a private, community well, or individual wells for each lot.

Mr. West stated that the prior contract price is not reflective of current market values due to subsequent property value declines and that the local market has not fully recovered from the Great Recession. He stated that an investor/developer buyer for this type of property does not currently exist in the subject's market area and that the roadway and utility costs would be cost prohibitive for development. He stated that if a developer were to subdivide the property into over 100 lots that the sellout period for the lots would not occur within the developer's lifetime, based on today's absorption rates. Mr. West stated that there have not been any recent, comparable land sales to the subject and he had difficulty attempting to estimate a value for the property. He inferred that the subject was probably worth less than \$10,000 per acre in today's market. He indicated that he had a

potential buyer that would be interested in submitting an offer on the property, but he did not provide an indication of the offer price.

The subject is a large, waterfront tract of land in a rural market area. There are limited, comparable, large, waterfront tract land sales. Utility providers created most of the lakes in North Carolina and South Carolina resulting in the majority of the large tract sales being sold over a long period of time by the utility providers. Crescent Resources was spun-off from Duke Energy and Crescent Resources owns, manages, and develops lakefront properties. Many of the larger-tract sales have been sold by Crescent Resources/Crescent Communities or other entities such as Progress Energy or Duke Energy. For these reasons, we have included sales in the other similar market areas.

For this analysis, we use price per linear foot of waterfront as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

Sales Comparison Approach

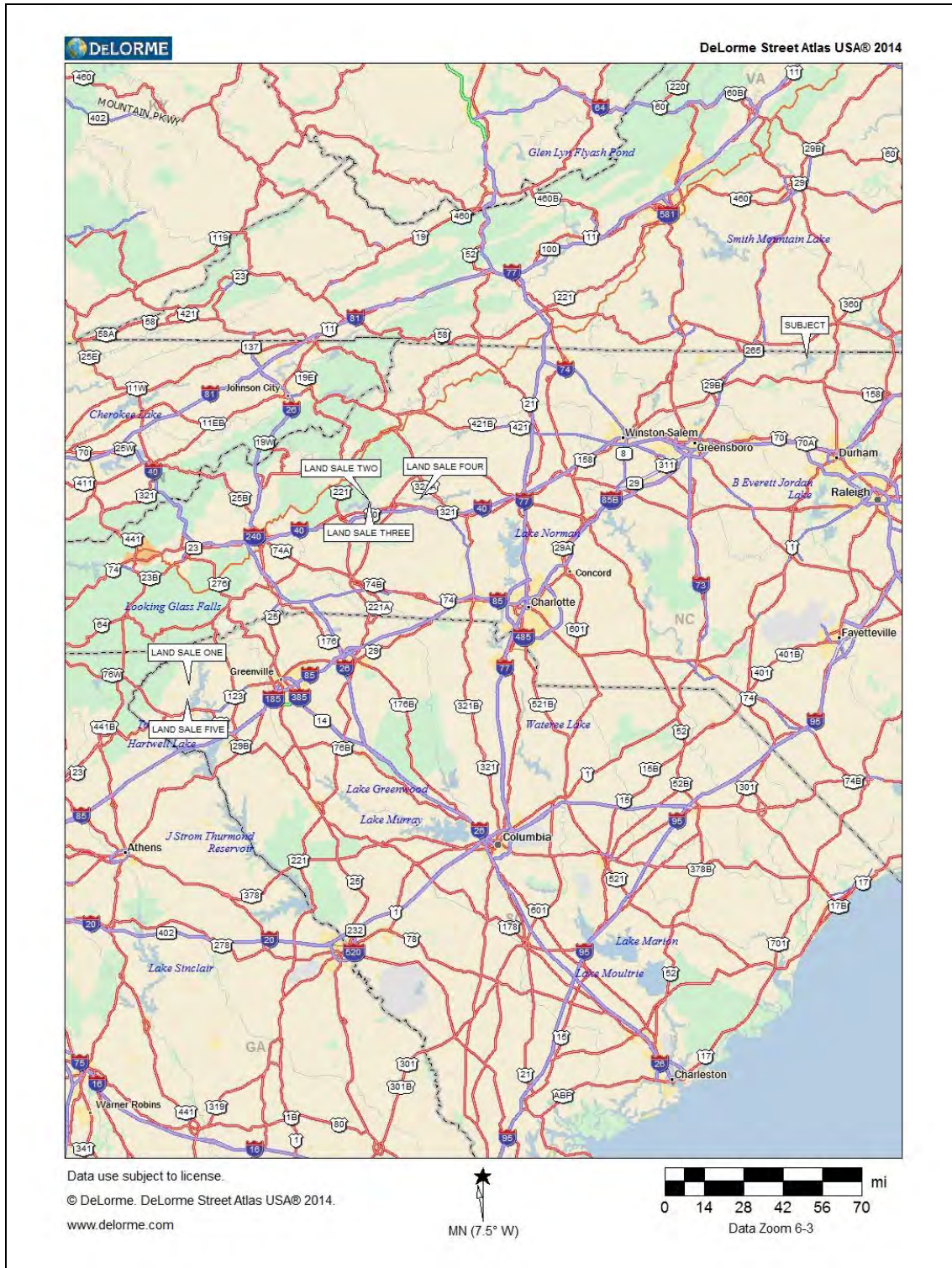
Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Linear Foot Of Waterfront; Density (Linear Foot Of Waterfront/Ac.)	\$/Linear Foot Of Waterfront	\$/Acre
1	Lake Keowee Little River Tract East Side of Alexander Road West Union Oconee County SC	Jun-16 In-Contract	\$5,250,000	47,849,789 1,098.48	26,400 24.0	\$199	\$4,779
	<i>Comments: Located on Little River arm of Lake Keowee. Approximately 5 miles of lake frontage. Property was under contract to a different owner for \$7.25 million, which fell through. It then went under contract for \$6 million, which also fell through. It most recently went under contract for \$5.25 million.</i>						
2	Lake James Waterfront Tract NC Hwy 126 & Lake James Morganton Burke County NC	Dec-15 Closed	\$4,561,000	19,886,882 456.54	22,280 48.8	\$205	\$9,990
	<i>Comments: Property has 22,280 linear feet of frontage on Lake James. The seller provided seller financing for the buyer, but the buyer paid it off within 30 days of closing and seller stated it had no effect on the sale price. The buyer intends to develop 12 estate-sized, waterfront lots on the property as well as additional, interior lots on approximately 150 acres. Unusable land area due to road ROW.</i>						
3	Lake James Waterfront Tract NC 126 Morganton Burke County NC	Dec-15 Closed	\$1,000,000	6,040,465 138.67	2,880 20.8	\$347	\$7,211
	<i>Comments: Property had approximately 2,880 linear feet of water frontage on Lake James. The buyer could develop 20 waterfront lots with boat slips. Interior lots without water frontage could not have any slips.</i>						
4	Lake Rhodhiss Freemason Liberty Road Granite Falls Caldwell County NC	Feb-15 Closed	\$1,800,000	11,769,346 270.19	16,500 61.1	\$109	\$6,662
	<i>Comments: 16,500 feet of lake frontage on Lake Rhodhiss</i>						
5	Lake Keowee McAlister Tract McAlister Road West Union Oconee County SC	Jun-14 Closed	\$5,499,715	21,867,556 502.01	25,945 51.7	\$212	\$10,955
	Subject			18,777,845	20,750		
	Waterfront Land			431.08	48.1		
	Semora, NC						

The water frontage to acreage ratio/density indicates the amount of linear feet of water frontage to acres. This indicates whether a site's acreage is primarily concentrated along the water (a high ratio) or whether the majority of the site is interior land (a low ratio). The subject's ratio is towards the higher-end of the range of the comparables.

The valuation is based on the linear feet of waterfrontage. Because a quantity of waterfrontage is used, on a linear basis, and based on an inverse relationship between quantity and price per unit, a higher quantity is considered to be inferior while a lower quantity is considered to be superior. This methodology is considered to be similar to that on a price per acre basis where larger size tracts typically sell for less per acre than smaller tracts.

Comparable Land Sales Map





Sale 1
Lake Keowee Little River Tract



Sale 2
Lake James Waterfront Tract



Sale 3
Lake James Waterfront Tract



Sale 4
Lake Rhodhiss Freemason Creek Tract



Sale 5
Lake Keowee McAlister Tract

Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction, such as demolition cost or expenditures by buyer at time of purchase.	No adjustments warranted.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	No adjustments warranted.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	No adjustments warranted.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	No adjustments warranted.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Positive adjustments for improving market conditions.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Negative adjustments to Sales 1, 2, 3, & 5 for their superior locations. Positive adjustment to Sale 4 for its inferior location.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	Negative adjustments to all sales for their superior access/exposure.
Size/ LF of Water Frontage	Inverse relationship that often exists between linear feet of waterfrontage and unit value.	Negative adjustment to Sale 3 for its smaller amount of water frontage.
Physical Characteristics	Primary physical factors that affect the utility of a site for its highest and best use. Considers easements and quality of waterfrontage (river vs. cove vs. main channel, etc.).	Positive adjustment to Sale 1 which is primarily located in a cove and has inferior water frontage.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.	No adjustments warranted.
Utilities	The availability of public utilities including water and sewer.	Negative adjustments to Sales 2, 3, & 5 for their superior access to public utilities.

Sales Comparison Approach

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Waterfront Land	Lake Keowee Little River Tract	Lake James Waterfront Tract	Lake James Waterfront Tract	Lake Rhodhiss Freemason Creek Tract	Lake Keowee McAlister Tract
Address	North Side of Jeff Road at Lake Hyco	East Side of Alexander Road	NC Hwy 126 & Lake James	NC 126	Liberty Road	McAlister Road
City	Semora	West Union	Morganton	Morganton	Granite Falls	West Union
County	Person	Oconee	Burke	Burke	Caldwell	Oconee
State	North Carolina	SC	NC	NC	NC	SC
Sale Date		Jun-16	Dec-15	Dec-15	Feb-15	Jun-14
Sale Status		In-Contract	Closed	Closed	Closed	Closed
Sale Price		\$5,250,000	\$4,561,000	\$1,000,000	\$1,800,000	\$5,499,715
Square Feet	18,777,845	47,849,789	19,886,882	6,040,465	11,769,346	21,867,556
Acres	431.08	1,098.48	456.54	138.67	270.19	502.01
Usable Square Feet	18,777,845	47,849,789	19,815,880	6,040,465	11,769,346	21,867,556
Usable Acres	431.08	1,098.48	454.91	138.67	270.19	502.01
Utilities	Well/ Septic	Well/Septic	Extension	All available	Well/Septic	Water/Septic
Topography	Gently Sloping	Rolling	Gently Sloping	Gently Sloping	Rolling	Rolling
Shape	Irregular	Irregular	Irregular	Very Irregular	Irregular	Irregular
Lakefront Feet	20,750	26,400	22,280	2,880	16,500	25,945
Lakefront Feet Per Acre	48	24	49	21	61	52
Price per Linear Foot of Waterfront		\$199	\$205	\$347	\$109	\$212
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—	—	—
Conditions of Sale		Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
% Adjustment		—	—	—	—	—
Market Conditions	5/21/2016	Jun-16	Dec-15	Dec-15	Feb-15	Jun-14
Annual % Adjustment	1%	—	—	—	1%	2%
Cumulative Adjusted Price		\$199	\$205	\$347	\$110	\$216
Location		-15%	-10%	-10%	20%	-15%
Access/Exposure		-5%	-5%	-5%	-5%	-5%
Size (LF Waterfront)		—	—	-30%	—	—
Physical Characteristics		10%	—	—	—	—
Zoning		—	—	—	—	—
Utilities		—	-2%	-5%	—	-2%
Net \$ Adjustment		-\$20	-\$35	-\$174	\$17	-\$48
Net % Adjustment		-10%	-17%	-50%	15%	-22%
Final Adjusted Price		\$179	\$170	\$174	\$127	\$169
Overall Adjustment		-10%	-17%	-50%	16%	-20%
Range of Adjusted Prices		\$127 - \$179				
Average		\$164				
Indicated Value		\$175				

Land Value Conclusion

Prior to adjustment, the sales reflect a range of \$109 - \$347 per linear foot of waterfront. After adjustment, the range is narrowed to \$127 - \$179 per linear foot of waterfront.

Land Sale Four (\$127/ LF) is significantly below the range of the other sales (\$169 - \$179) on an adjusted basis and is considered to be an outlier. The remaining sales reflect a relatively tight range on both an unadjusted and adjusted basis.

Land Sale One is currently under contract of sale, thereby representing the most recent potential transaction. In addition, it has the lowest overall adjustment. Primary weight was placed on Land Sale One with secondary weight placed on Sales Two, Three, and Five. We arrive at a land value conclusion as follows:

Land Value Conclusion

Indicated Value per Linear Foot of Waterfront	\$175
Subject Linear Foot of Waterfront	20,750
Indicated Value	\$3,631,250
Rounded	\$3,630,000

Our value conclusion equates to \$8,421 per acre. As shown in the Summary of Comparable Land Sales table, the sales, on an unadjusted basis, range from \$4,779 to \$10,995 per acre. Our value conclusion is towards the higher-end of the range of the comparables on a price per acre basis. It is our opinion that this is reasonable considering the large size of the subject and that it's linear foot to acreage ratio is towards the higher-end of the range. The higher waterfrontage density indicates that the subject has a higher level of waterfront land as opposed to interior land relative to the comparables.

Reconciliation and Conclusion of Value

As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable, and are not used.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion follows:

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	May 21, 2016	\$3,630,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The site has legal access off of Jeff Road.
2. The site can be legally sold and has clear and marketable title.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value stated previously, it is our opinion that the probable exposure time is 12 months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 12 months.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. M. Kyle Winters, MAI, ASA, made a personal inspection of the property that is the subject of this report. Chris R. Morris, MAI, FRICS, has not personally inspected the subject.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, M. Kyle Winters, MAI, ASA and Chris R. Morris, MAI, FRICS have completed the continuing education program for Designated Members of the Appraisal Institute.



M. Kyle Winters, MAI, ASA
Certified General Real Estate Appraiser
NC Certificate # A6825



Chris R. Morris, MAI, FRICS
Certified General Real Estate Appraiser
NC Certificate # A266

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

- covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
 11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
 17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

- conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
 19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Raleigh, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
 21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 22. Integra Realty Resources – Raleigh is not a building or environmental inspector. Integra Raleigh does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
 23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
 24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the

- appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
25. Integra Realty Resources – Raleigh, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The site has legal access off of Jeff Road.
2. The site can be legally sold and has clear and marketable title.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None
-

Addendum A

Appraiser Qualifications

M. Kyle Winters, MAI, ASA

Experience

Director with Integra Realty Resources - Charlotte. Been engaged in real estate appraisal since 2005, and in April 2008 became a North Carolina State-Certified General Real Estate Appraiser.

Has appraised a variety of property types including, but not limited to: vacant land, industrial, manufacturing and distribution facilities, single and multi-tenant retail properties, general and medical offices, mixed-use developments, subdivision analyses, multifamily apartments, hotels, golf courses, and special purpose properties.

Professional Activities & Affiliations

American Society of Appraisers (ASA) , March 2014

Appraisal Institute, Member (MAI) , January 2013

Licenses

North Carolina, Certified General, A6825, Expires June 2016

North Carolina, Real Estate Broker, 237979, Expires June 2016

South Carolina, Certified General, CG 6622, Expires June 2016

Virginia, Certified General, 4001017222, Expires March 2017

Education

B.S. Degree, Finance, Virginia Tech, Blacksburg, VA (2001)

Appraisal courses completed are as follows:

R1-Introduction to Real Estate Appraisal

R2-Valuation Principles & Procedures

R3-Applied Residential Property Values

R4-USPAP

G1-Introduction to Income Property Appraisal

G2-Advanced Income Capitalization Procedures

G3-Applied Income Property Valuation

Advanced Income Capitalization (formerly 510)

General Market Analysis & Highest and Best Use (formerly 520)

Advanced Sales Comparison & Cost Approach (formerly 530)

Subdivision Valuation

Advanced Applications (formerly 550)

Report Writing and Valuation Analysis (formerly 540)

General Comprehensive Exam (October 2010)

Integra Realty Resources Charlotte

214 W. Tremont Avenue
Suite 200
Charlotte, NC 28203

T 704-376-0295
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irr.com





(SEE REVERSE SIDE FOR NAME AND/OR ADDRESS CHANGE)



Chris R. Morris, MAI, FRICS

Experience

Senior Managing Director of Integra Realty Resources-Raleigh. Mr. Morris has been actively engaged in real estate since 1986. He joined Integra after 11 years as a Principal with Shaw Boykin & Morris. Prior to becoming Principal, he was a Staff Appraiser for 6 years with Shaw/Boykin & Associates. Before joining Shaw/Boykin & Associates, Mr. Morris worked as a Staff Appraiser and Utilities Agent for the N.C. Department of Transportation. Mr. Morris has a broad range of experience in valuation and analysis of many types of real estate.

Professional Activities & Affiliations

Member: International Right of Way Association, October 2010
 Board of Directors: NC Chapter Appraisal Institute, January 2008 - December 2010
 Member: Appraisal Institute, June 1992
 Royal Institute of Chartered Surveyors, Fellow (FRICS) , June 2012

Licenses

North Carolina, State Certified General Real Estate Appraiser, A266, Expires June 2016
 North Carolina, State Licensed Real Estate Broker, 084603, Expires June 2016
 South Carolina, State Certified General Real Estate Appraiser, CG 6958, Expires June 2016
 Virginia, State Certified General Real Estate Appraiser, 4001 015036, Expires August 2016

Education

Phillips Academy, Andover, MA (1979)

B.A. Degrees, Economics and Organizational Behavior & Management, Brown University, Providence, RI (1984)

Real Estate courses completed are as follows:

Report Writing and Valuation Analysis
 Standards of Professional Practice
 Case Studies in Real Estate Valuation
 Capitalization Theory & Techniques, Part B
 Capitalization Theory & Techniques, Part A
 Residential Valuation
 Basic Valuation Procedures
 Real Estate Appraisal Principles
 Principles of Real Estate Management
 Commercial Real Estate Finance
 Commercial/Industrial Real Estate
 Cost Estimating
 Construction Methods and Materials
 Real Estate Brokerage Operations
 Real Estate Finance
 Real Estate Law
 Fundamentals of Real Estate

Integra Realty Resources Raleigh

8382 Six Forks Road
 Suite 200
 Raleigh, NC 27615

T 919.847.1717
 F 919.847.1714

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NORTH CAROLINA APPRAISAL BOARD
APPRAISER QUALIFICATION CARD
Expires June 30, 2016

REGISTRATION / LICENSE / CERTIFICATE HOLDER		
CHRISTOPHER R MORRIS		
A266	G	Y
APPRAISER NUMBER	TYPE	NATIONAL REGISTRY

Christopher R Morris
 APPRAISER'S SIGNATURE

[Signature]
 EXECUTIVE DIRECTOR

BCD 057960

State of South Carolina
 Department of Labor, Licensing and Regulation
 Real Estate Appraisers Board
CHRISTOPHER R MORRIS
 Is hereby entitled in practice as a:
Certified General Appraiser
 License Number: **6958**
 Expiration Date: 06/30/2016
 OFFICE COPY

[Signature]
 ADMINISTRATOR

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
COMMONWEALTH OF VIRGINIA
 9960 Mayland Dr., Suite 400, Richmond, VA 23233
 Telephone: (804) 367-8500

EXPIRES ON
08-31-2016

NUMBER
4001015036

REAL ESTATE APPRAISER BOARD
CERTIFIED GENERAL REAL ESTATE APPRAISER

CHRISTOPHER R MORRIS
 8382 SIX FORKS ROAD
 SUITE 200 - INTEGRA REALTY RESOURCES
 RALEIGH, NC 27615

[Signature]
 L. W. DeBorja
 L. W. DeBorja, President

ALTERATION OF THIS DOCUMENT, USE AFTER EXPIRATION, OR USE BY PERSONS OR FIRMS OTHER THAN THOSE NAMED MAY RESULT IN CRIMINAL PROSECUTION UNDER THE CODE OF VIRGINIA.

(SEE REVERSE SIDE FOR NAME AND/OR ADDRESS CHANGE)



Integra Realty Resources, Inc.

Corporate Profile

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in North America with 58 independently owned and operated offices located throughout the United States and the Caribbean. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and virtually all are headed by a Senior Managing Director who is an MAI member of the Appraisal Institute.

A listing of IRR's local offices and their Senior Managing Directors follows:

ATLANTA, GA - Sherry L. Watkins, MAI, FRICS	MIAMI/PALM BEACH, FL - Anthony M. Graziano, MAI, CRE, FRICS
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS	MINNEAPOLIS, MN - Michael F. Amundson, MAI, CCIM, FRICS
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS	NAPLES, FL - Carlton J. Lloyd, MAI, FRICS
BIRMINGHAM, AL - Rusty Rich, MAI, MRICS	NASHVILLE, TN - R. Paul Perutelli, MAI, SRA, FRICS
BOISE, ID - Bradford T. Knipe, MAI, ARA, CCIM, CRE, FRICS	NEW JERSEY COASTAL - Halvor J. Egeland, MAI
BOSTON, MA - David L. Cary, Jr., MAI, MRICS	NEW JERSEY NORTHERN - Matthew S. Krauser, CRE, FRICS
CHARLESTON, SC - Cleveland "Bud" Wright, Jr., MAI	NEW YORK, NY - Raymond T. Cirz, MAI, CRE, FRICS
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS	ORANGE COUNTY, CA - Steve Calandra, MAI
CHICAGO, IL - Eric L. Enloe, MAI, FRICS	ORLANDO, FL - Christopher Starkey, MAI, MRICS
CINCINNATI/DAYTON, OH - Gary S. Wright, MAI, FRICS, SRA	PHILADELPHIA, PA - Joseph D. Pasquarella, MAI, CRE, FRICS
CLEVELAND, OH - Douglas P. Sloan, MAI	PHOENIX, AZ - Walter "Tres" Winius III, MAI, FRICS
COLUMBIA, SC - Michael B. Dodds, MAI, CCIM	PITTSBURGH, PA - Paul D. Griffith, MAI, CRE, FRICS
COLUMBUS, OH - Bruce A. Daubner, MAI, FRICS	PORTLAND, OR - Brian A. Glanville, MAI, CRE, FRICS
DALLAS, TX - Mark R. Lamb, MAI, CPA, FRICS	PROVIDENCE, RI - Gerard H. McDonough, MAI, FRICS
DENVER, CO - Brad A. Weiman, MAI, FRICS	RALEIGH, NC - Chris R. Morris, MAI, FRICS
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS	RICHMOND, VA - Kenneth L. Brown, MAI, CCIM, FRICS
FORT WORTH, TX - Gregory B. Cook, SR/WA	SACRAMENTO, CA - Scott Beebe, MAI, FRICS
GREENSBORO, NC - Nancy Tritt, MAI, SRA, FRICS	ST. LOUIS, MO - P. Ryan McDonald, MAI, FRICS
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS	SALT LAKE CITY, UT - Darrin W. Liddell, MAI, FRICS, CCIM
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS	SAN DIEGO, CA - Jeff A. Greenwald, MAI, SRA, FRICS
INDIANAPOLIS, IN - Michael C. Lady, MAI, SRA, CCIM, FRICS	SAN FRANCISCO, CA - Jan Kleczewski, MAI, FRICS
JACKSON, MS - John R. Praytor, MAI	SARASOTA, FL - Carlton J. Lloyd, MAI, FRICS
JACKSONVILLE, FL - Robert Crenshaw, MAI, FRICS	SEATTLE, WA - Allen N. Safer, MAI, MRICS
KANSAS CITY, MO/KS - Kenneth Jagers, MAI, FRICS	SYRACUSE, NY - William J. Kimball, MAI, FRICS
LAS VEGAS, NV - Charles E. Jack IV, MAI	TAMPA, FL - Bradford L. Johnson, MAI, MRICS
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS	TULSA, OK - Owen S. Ard, MAI
LOS ANGELES, CA - Matthew J. Swanson, MAI	WASHINGTON, DC - Patrick C. Kerr, MAI, FRICS, SRA
LOUISVILLE, KY - Stacey Nicholas, MAI, MRICS	WILMINGTON, DE - Douglas L. Nickel, MAI, FRICS
MEMPHIS, TN - J. Walter Allen, MAI, FRICS	CARIBBEAN/CAYMAN ISLANDS - James Andrews, MAI, FRICS

Corporate Office

Eleven Times Square, 640 Eighth Avenue, 15th Floor, Suite A, New York, New York 10036
 Telephone: (212) 255-7858; Fax: (646) 424-1869; E-mail info@irr.com
 Website: www.irr.com



Addendum B

Property Information

STATE OF NEW YORK, COUNTY OF NASSAU.

BOOK 98 PAGE 127

I, Ernest H. Thomas, a Notary Public of said County, do hereby certify that Estelle H. Brandon (widow) personally appeared before me this day and acknowledged the due execution of the foregoing deed. Witness my hand and notarial seal, this 1st day of July, 1963.

My commission expires: 3-30-65

Notary Public

STATE OF MARYLAND, CITY OF BALTIMORE.

I, WILLIAM CARRUTH, a Notary Public of said City, do hereby certify that Ominus Hamlett and wife, Amelia Hamlett; Allie Hamlett (widower); Beatrice Hamlett and wife, Carusha Hamlett; and Maryland Hamlett and wife, Sadie Hamlett, personally appeared before me this day and acknowledged the due execution of the foregoing deed. Witness my hand and notarial seal, this 24 day of June, 1963.

My commission expires: May 3, 1965

Notary Public

State of N. C.

COMMONWEALTH OF VIRGINIA, COUNTY OF PERSON.

I, Reuben C. Bowes, a Notary Public of said County, do hereby certify that Sadie H. Carter and husband, Isaac Carter; and Serena H. Garland and husband, John Garland, personally appeared before me this day and acknowledged the due execution of the foregoing deed. Witness my hand and notarial seal, this 27th day of June, 1963.

My commission expires: 3/23/65

Notary Public

STATE OF NORTH CAROLINA, COUNTY OF PERSON.

I, Reuben C. Bowes, a Notary Public of said County, do hereby certify that Weldon Hamlett and wife, Hilda Hamlett, personally appeared before me this day and acknowledged the due execution of the foregoing deed. Witness my hand and notarial seal, this 27 day of June, 1963.

My commission expires: 3/23/65

Notary Public

STATE OF NORTH CAROLINA, COUNTY OF GUILFORD.

I, Gladys H. Minor, a Notary Public of said County, do hereby certify that Mildred H. Parker personally appeared before me this day and acknowledged the due execution of the foregoing deed. Witness my hand and notarial seal, this 9th day of July, 1963.

My commission expires: 10/18/64

Notary Public

STATE OF CONNECTICUT, COUNTY OF Fairfield.

I, Thomas J. O'Connor, a Notary Public of said County, do hereby certify that James E. Parker personally appeared before me this day and acknowledged the due execution of the foregoing deed. Witness my hand and notarial seal, this 24th day of July, 1963.

My commission expires: 4/1/65

Notary Public

STATE OF NORTH CAROLINA, COUNTY OF PERSON.

The foregoing certificates of Reuben C. Bowes, George H. Thomas, William Carruth, Gladys H. Minor & Thomas J. O'Connor

Notaries Public of the governmental units designated are adjudged to be correct. Let said deed and the certificates be registered. This the 11 day of July, 1963.

Norman L. Clanton
Deputy Clerk of Superior Court

Filed for registration on the 11th day of July, 1963, at 9:40 o'clock A. M., and duly recorded in the Office of the Register of Deeds of Person County, North Carolina, in Book of Deeds No. 98, page 125.

J. Alvin Bass Register of Deeds
By _____

Unofficial Document

Warren in the Southern line of the said Barker lands; thence with the Western line of the said Warren lands and with the Western line of lands acquired by the grantee from J. H. Blalock, Jr. South $0^{\circ} 36' 13''$ West 1597.30 feet to a stone marking a corner in the grantee's Blalock lands; thence with the Northern line of the grantee's Blalock lands North $89^{\circ} 47' 04''$ West 1884.70 feet to the Northwest corner of the grantee's Blalock lands in the Eastern line of lands of Halifax Paper Company; thence with the Eastern line of the Halifax Paper Company lands North $2^{\circ} 21' 25''$ East 1026.90 feet to the beginning, containing 118.69 acres, and being all of the lands shown as "PARCEL 'A' REQUIRED", "PARCEL 'B' REQUIRED", "PARCEL 'C' NOT REQUIRED", and "PARCEL 'F' NOT REQUIRED" on a plat entitled "Map of Tract No. 21 Land to be Acquired from Embro Hamlet Estate by Carolina Power & Light Co." surveyed by Moore, Gardner and Associates, Inc., in December, 1962, revised June, 1963, which plat is designated as Drawing No. Hy-32.

BUT all tobacco and other crop allotments are reserved and are to remain the property of the grantor.

In the event of a discrepancy between any call hereinbefore contained in this description and the aforesaid map, then the calls contained on said map shall control.

TO HAVE AND TO HOLD said property, with all privileges and appurtenances thereunto belonging, to the said Grantee, its successors and assigns forever, without exceptions other than as above stated.

The grantor covenants that he is seized of said property in fee, and has the right to convey the same in fee simple; that the same is free from all encumbrances (with any exceptions above stated); and that he will warrant and defend the title to same against the claims of all persons whomsoever.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, the day and year first above written.

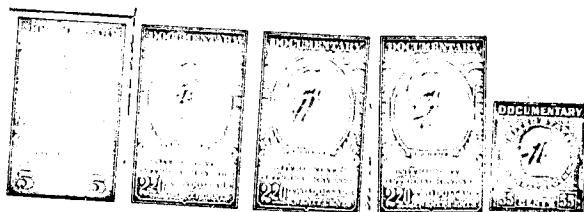
1. Dominicus Hamlett (SEAL), Carolina Hamlett (SEAL)
 2. Amelia Hamlett (SEAL), Nannie H. Brandon (SEAL)
 3. Allie Hamlett (SEAL), Walter Hamlett (SEAL)
 4. Sadie H. Carter (SEAL), Irene Hamlett (SEAL)
 5. Grace Carter (SEAL), Olander Hamlett (SEAL)
 6. Irene H. Hamlett (SEAL), Edith Hamlett (SEAL)
 7. John Hamlett (SEAL), Walter Hamlett (SEAL)
 8. Weldon Hamlett (SEAL), Sadie S. Hamlett (SEAL)
 9. Hilda Hamlett (SEAL), Estelle H. Brandon (SEAL)
 10. Beatrice Hamlett (SEAL), James E. Parker (SEAL)
 11. Bernice Hamlett (SEAL), Robert H. Parker (SEAL)

STATE OF NORTH CAROLINA, COUNTY OF PERSON.

I, Reuben C. Bowser, a Notary Public of said County, do hereby certify that Carolina Hamlett (widow); Nannie H. Brandon (widow); Walter Hamlett and wife, Irene Hamlett; and Olander Hamlett and wife, Edith Hamlett, personally appeared before me this day and acknowledged the due execution of the foregoing deed. Witness my hand and notarial seal, this 27 day of June, 1963.

My commission expires: 3/15/65.

Reuben C. Bowser
Notary Public.



UnOfficial Document

NORTH CAROLINA
PERSON COUNTY

THIS DEED, made this 25th day of June, 1963, by Carolina Hamlett (widow); Nannie H. Brandon (widow); Walter Hamlett and wife, Irene Hamlett; and Olander Hamlett and wife, Edith Hamlett, all of Person County, North Carolina; Estelle H. Brandon (widow), of Nassau County, New York; Ominus Hamlett and wife, Amelia Hamlett; Allie Hamlett (widow); Beatrice Hamlett and wife, Gerusha Hamlett; and Maryland Hamlett and wife, Sadie Hamlett, all of Baltimore, Maryland; Sadie H. Carter and husband, Isaac Carter; and Serena H. Garland and husband, John Garland, of Halifax County, Virginia; Weldon Hamlett and wife, Hilda Hamlett, of Caswell County, North Carolina; and Mildred H. Parker and husband, James E. Parker, of Guilford County, North Carolina, hereinafter called Grantor, to CAROLINA POWER & LIGHT COMPANY, a North Carolina public service corporation, with principal offices in Raleigh, North Carolina, hereinafter called Grantee. The designation Grantor as used herein shall include singular, plural, masculine, feminine, or neuter as required by the context.

WITNESSETH: That the Grantor, in consideration of Ten Thousand, Seven Hundred Fifty-Three and 31/100 Dollars (\$10,753.31) to him paid by the Grantee, the receipt of which is acknowledged, has bargained and sold, and by these presents does bargain, sell and convey to the Grantee, its successors and assigns, subject to any conditions or reservations hereinafter stated, all of the following described real property:

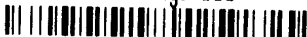
Lying in Cunningham Township, Person County, North Carolina, on the waters of North Cane Creek, and beginning at a point in the Eastern line of lands of Halifax Paper Company where it is intersected by contour elevation line 420 feet above mean sea level, which beginning point has North Carolina Co-ordinates Y = 1,006,207.18 and X = 1,976,966.99, and which beginning corner is North 2° 21' 25" East 1026.90 feet from the Northwest corner of lands acquired by the grantee from J. H. Blalock, Jr. in the Western line of lands of Halifax Paper Company, which latter corner has North Carolina Co-ordinates Y = 1,005,178.41 and X = 1,976,926.24; thence with the line of lands of Halifax Paper Company North 2° 21' 25" East 115.71 feet; North 74° 07' 38" West 1139.39 feet; North 49° 57' 30" West 1402.00 feet; North 4° 51' 28" East 1175.00 feet to a point in the Eastern line of lands of Halifax Paper Company, corner of lands to be retained by the grantor; thence with the line of lands to be so retained South 66° 12' 00" East 36.43 feet to a point in the line of lands to be retained by the grantor and in contour elevation line 420 feet above mean sea level; thence with the line of lands to be so retained and with contour elevation line 420 feet above mean sea level South 13° 16' 46" East 153.15 feet; South 60° 21' 18" East 174.73 feet; South 42° 53' 46" East 139.42 feet; South 38° 30' 05" East 134.39 feet; South 18° 20' 26" East 131.68 feet to a point in the Northwest line of lands of W. A. Sergeant Estate where it is intersected by contour elevation line 420 feet above mean sea level at a corner of lands to be retained by the grantor; thence with the Northwestern line of lands of the said Sergeant Estate South 56° 23' 04" West 170.70 feet; South 56° 23' 04" West 58.88 feet; thence still with the line of lands of the said Sergeant Estate South 14° 42' 37" East 453.37 feet; North 84° 58' 45" East 267.94 feet; North 84° 58' 45" East 120.10 feet; North 7° 30' 36" East 550.43 feet; North 80° 20' 03" West 64.15 feet to a point where the Northern line of the lands of the said W. A. Sergeant Estate is intersected by contour elevation line 420 feet above mean sea level; thence with contour elevation line 420 feet above mean sea level and with the line of lands to be retained by the grantor North 19° 31' 03" East 151.17 feet; North 39° 56' 56" East 105.76 feet; South 0° 12' 53" West 154.8 feet; South 25° 11' 39" East 109.36 feet; South 16° 37' 20" West 160.28 feet; South 4° 14' 19" East 121.46 feet; South 38° 55' 13" East 102.4 feet; South 41° 23' 21" East 81.62 feet; South 44° 36' 28" East 105.09 feet; South 65° 07' 25" East 146.39 feet; North 44° 46' 24" East 110.53 feet; North 66° 31' 08" East 114.05 feet; South 9° 09' 55" West 288.9 feet; South 5° 39' 19" West 243.35 feet; South 4° 49' 16" West 86.89 feet; North 73° 05' 24" East 119.6 feet; North 58° 28' 39" East 67.27 feet; North 31° 06' 17" East 112.97 feet; North 18° 14' 54" East 93.31 feet; North 23° 25' 56" East 89.06 feet; North 34° 15' 17" East 240.56 feet; South 6° 58' 06" East 67.83 feet; South 11° 11' 09" West 104.68 feet; South 15° 20' 47" West 146.58 feet; South 0° 47' 31" West 163.53 feet; South 10° 14' 34" West 225.14 feet; North 89° 44' 46" East 94.72 feet; North 42° 26' 34" East 51.11 feet; North 18° 46' 37" East 172.56 feet; North 16° 24' 02" East 257.38 feet; North 55° 16' 53" East 183.18 feet; North 72° 48' 22" East 188.28 feet; North 33° 59' 50" East 57.23 feet; South 7° 21' 09" West 68.42 feet; South 68° 21' 27" West 74.70 feet; South 50° 02' 14" West 82.95 feet; South 55° 23' 30" West 144.82 feet; South 23° 28' 53" West 81.14 feet; South 1° 32' 51" East 97.89 feet; South 30° 09' 18" East 107.35 feet; South 3° 31' 45" West 69.57 feet; South 42° 24' 43" East 162.22 feet; North 51° 41' 00" East 123.19 feet; South 83° 53' 46" East 76.34 feet; South 73° 15' 34" East 103.59 feet; North 49° 24' 46" East 125.82 feet; North 18° 33' 19" East 83.92 feet; South 89° 10' 58" East 47.26 feet; South 24° 02' 45" East 162.67 feet; South 78° 26' 26" East 209 feet; North 20° 43' 34" East 98.03 feet; North 2° 39' 50" East 107.68 feet; North 17° 33' 12" East 130.30 feet; North 34° 37' 02" East 103.67 feet; South 2° 03' 17" West 100.93 feet; South 26° 29' 27" East 59.93 feet; South 12° 24' 21" East 123.4 feet; South 35° 16' 57" East 77.26 feet; North 86° 05' 56" East 87.37 feet; South 70° 53' 34" East 81.51; South 20° 03' 32" East 74.18 feet; North 41° 08' 10" East 161.64 feet; North 69° 15' 18" East 82.45 feet to a point in the Western line of lands of Clyde Barker where it is intersected by contour elevation line 420 feet above mean sea level; thence with the said Barker's line South 1° 05' 34" West 255.69 feet; North 89° 33' 19" East 467.64 feet to the Northwest corner of lands of W. C. and J. I.

Document #
0032214

FILED
PERSON COUNTY NC
12/20/2007 4:05 PM
RUSSELL JONES
Tax Administrator

Exhibit C

Issued Dec 20, 2007
\$1,200.00
State Of North Carolina
Person County
Real Estate Excise Tax
313765

FILED in PERSON County, NC
on Dec 20, 2007 at 04:32:50 PM
by: AMANDA W. GARRETT
REGISTER OF DEEDS
Book 660 Page 599


SPECIAL WARRANTY DEED

Excise Tax: \$1,200.00

This instrument was prepared by or under the direction of:

David W. Berry, Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, L.L.P.
P.O. Box 2611, Raleigh, N.C. 27602-2611 (NO OPINION ON TITLE)

Mail after recording to:

Progress Energy, Real Estate Section – PEB 3A, P.O. Box 1551, Raleigh, N.C. 27602-1551

Brief Description for Index: 41.95 acres, Cunningham Twp.

STATE OF NORTH CAROLINA

COUNTY OF PERSON

THIS SPECIAL WARRANTY DEED is made and entered into as of this 20th day of December, 2007 from WILLIAM E. BRADY and wife, ELIZABETH P. BRADY (whose address is 11 Hawthorne Drive, Durham, North Carolina 27712) (collectively the “GRANTOR”), to CAROLINA POWER & LIGHT COMPANY, a North Carolina public service corporation, d/b/a PROGRESS ENERGY CAROLINAS, INC. (with its principal mailing address being Carolina Power & Light Company d/b/a Progress Energy c/o Penney Develle (MAC: PEF 131), Post Office Box 14042, St. Petersburg, Florida 33733 (the “GRANTEE”).

WITNESSETH

That GRANTOR, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, has bargained and sold, and by these presents does grant, bargain, sell, and convey to GRANTEE, its

#1014656v1

successors and assigns, in fee simple, a parcel of land lying and being in Cunningham Township, Person County, North Carolina, being more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Property").

TO HAVE AND TO HOLD the Property, together with all privileges and appurtenances thereto belonging, to GRANTEE, its successors and assigns, in fee simple.

GRANTOR covenants with GRANTEE that GRANTOR has done nothing to impair such title as GRANTOR received; and that GRANTOR will warrant and defend the title against the lawful claims of all persons claiming by, under or through GRANTOR, except for the exceptions hereinafter stated:

Title to the Property is subject to the following exceptions:

1. All matters of record affecting the Property, including but not limited to restrictions, road, railroad, utility, or other rights of way and/or easements of record.
2. All matters that would be revealed by a current survey of the Property.
3. Ad valorem taxes for 2008 and subsequent years not yet due and payable.
4. Zoning ordinances, if any, affecting the Property.

[SIGNATURES AND ACKNOWLEDGEMENTS APPEAR ON FOLLOWING PAGE]

EXHIBIT A

(DESCRIPTION OF THE PROPERTY)

The courses in the following description are based on the North Carolina State Plane coordinate system.

Being that certain tract or parcel of land lying and being in Cunningham Township, Person County, North Carolina and more particularly described as follows:

BEGINNING at a southeastern corner of now or formerly J. B. Hobgood in a western property line of Carolina Power & Light Company (now d/b/a as Progress Energy Carolinas, Inc.), said corner having North Carolina Coordinates Y = 1,004.542.174 and X = 1,971,367.833; and runs thence along and with said western property line of Carolina Power & Light Company South 01 degree 53 minutes 45 seconds West 1,153.84 feet to a southwestern corner of Carolina Power & Light Company and northwestern corner of now or formerly Kenneth Royster; thence along and with a western property line of now or formerly Kenneth Royster South 01 degree 05 minutes 58 seconds West 1,267.54 feet to a point in the northern property line of Carolina Power & Light Company; thence along and with the northern property line of Carolina Power & Light Company the following four (4) courses and distances: South 86 degrees 56 minutes 42 seconds West 211.58 feet, South 20 degrees 36 minutes 12 seconds West 135.37 feet, South 75 degrees 44 minutes 50 seconds West 145.98 feet, and South 88 degrees 30 minutes 45 seconds West 258.36 feet; thence along and with a new line North 02 degrees 11 minutes 53 seconds West 2,517.97 feet to a point in a southern property line of now or formerly J. B. Hobgood; and thence along and with said southern property line of now or formerly J. B. Hobgood North 84 degrees 03 minutes 47 seconds East 822.15 feet to the point of BEGINNING, containing 41.950 acres, more or less, as shown and depicted as "TRACT 8" on Carolina Power & Light Company Drawing No. L-F-6310 (dated April 1980), which is incorporated herein by reference; and being the same land described in a deed from William E. Brady *et al.* to William E. Brady and wife, Elizabeth P. Brady dated April 15, 1993 and recorded in Book 227, Page 442, Person County Registry; and being a portion of the land conveyed to Carolina Power & Light by a deed from L. P. Stigall, *et ux*, dated October 24, 1963 and recorded in Book 98 at page 345, Person County Registry.

Also conveyed herewith are the GRANTOR'S rights in and to those certain easements of record in Book 169, Page 175 and Book 169, Page 177, both Person County Registry, the same being incorporated by express reference thereto to more particularly define the location of said easements in relation to the dominant and servient tenements affected thereby.

BOOK 660 PAGE 602 313765

IN WITNESS WHEREOF, GRANTOR has caused this SPECIAL WARRANTY DEED to be signed in their names as of the day and year first above written.

William E. Brady
WILLIAM E. BRADY

Elizabeth P. Brady
ELIZABETH P. BRADY

STATE OF NORTH CAROLINA

COUNTY OF BURHAM

I, Cynthia G. Bradsher, a Notary Public of Alamance County, North Carolina, certify that WILLIAM E. BRADY, and wife ELIZABETH P. BRADY, either being personally known to me or proven by satisfactory evidence (said evidence being N/A), both personally appeared before me this day and acknowledged that they voluntarily executed the foregoing document for the purposes stated therein.

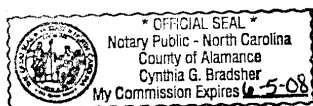
Witness my hand and notarial stamp or seal, this 19th day of December, 2007.

Cynthia G. Bradsher
Notary Public

Cynthia G. Bradsher
Print Name

My commission expires: 06/05/2008

(Notary Seal)



Document shows proof /acknowledgement before officer authorized to take proof /acknowledgement; acknowledgement includes officer's signature, commission expiration date, official seal, if required.

Amanda W. Garrett
Amanda W. Garrett, Person County Register of Deeds

#1014656v1

Document #
0032152

FILED
PERSON COUNTY NC
12/07/2007 3:07 PM
RUSSELL JONES
Tax Administrator

Issued Dec 07, 2007
\$10.00
State Of North Carolina
Person County
Real Estate Excise Tax
313435

FILED in PERSON County, NC
on Dec 07, 2007 at 03:25:48 PM
by: AMANDA W. GARRETT
REGISTER OF DEEDS
Book 659 Page 218



SPECIAL WARRANTY DEED

Excise Tax: \$ 10.00

This instrument was prepared by or under the direction of:

David W. Berry, Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, L.L.P.
P.O. Box 2611, Raleigh, N.C. 27602-2611 (NO OPINION ON TITLE)

Mail after recording to:

Progress Energy, Real Estate Section – PEB 3A, P.O. Box 1551, Raleigh, N.C. 27602-1551

Brief Description for Index: 0.47 acre & 0.02 acre, Cunningham Twp.

STATE OF NORTH CAROLINA

COUNTY OF PERSON

THIS SPECIAL WARRANTY DEED is made and entered into as of this 7th day of December, 2007 from RODERICK D. BOLTON, and wife, PAMELA J. BOLTON, DOROTHY C. BOLTON RODGERS and husband, LINWOOD L. RODGERS, SHIRLEY V. CRAWLEY RAWLS (widow), IRMA M. BOLTON (widow), and BRANDON DWAYNE BOLTON (divorced), by and through their ATTORNEY-IN-FACT, WALTER B. CATES (whose office address is Hubbard & Cates, Post Office Box 679, Roxboro, North Carolina 27573) (collectively the “GRANTORS”), to CAROLINA POWER & LIGHT COMPANY, a North Carolina public service corporation, d/b/a PROGRESS ENERGY CAROLINAS, INC. (with its principal mailing address being Carolina Power & Light Company d/b/a Progress Energy c/o Penney Develle (MAC: REF 131), Post Office Box 14042, St. Petersburg, Florida 33733 (the “GRANTEE”).

#1006239v1

Exhibit C

WITNESSETH:

That GRANTORS, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, has bargained and sold, and by these presents does grant, bargain, sell, and convey to GRANTEE, its successors and assigns, in fee simple, two (2) parcels of land lying and being in Cunningham Township, Person County, North Carolina, being more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Property").

TO HAVE AND TO HOLD the Property, together with all privileges and appurtenances thereto belonging, to GRANTEE, its successors and assigns, in fee simple.

GRANTORS covenant with GRANTEE that GRANTORS have done nothing to impair such title as GRANTORS received; and that GRANTORS will warrant and defend the title against the lawful claims of all persons claiming by, under or through GRANTORS, except for the exceptions hereinafter stated:

Title to the Property is subject to the following exceptions:

1. All matters of record affecting the Property, including but not limited to restrictions, road, railroad, utility, or other rights of way and/or easements of record.
2. All matters that would be revealed by a current survey of the Property.
3. Ad valorem taxes not yet due and payable.
4. Zoning ordinances, if any, affecting the Property.

BOOK 659 PAGE 220 313435

IN WITNESS WHEREOF, GRANTORS have caused this SPECIAL WARRANTY DEED to be signed in their names, by and through their duly authorized and lawful Attorney-in-Fact, as of the day and year first above written.

RODERICK D. BOLTON, PAMELA J. BOLTON,
DOROTHY C. BOLTON RODGERS, LINWOOD L.
RODGERS, SHIRLEY V. CRAWLEY RAWLS, IRMA
M. BOLTON, and BRANDON DWAYNE BOLTON,
by and through their Attorney-in-Fact,
WALTER B. CATES

By: Walter B. Cates
Name: Walter B. Cates
Title: Attorney-in-Fact

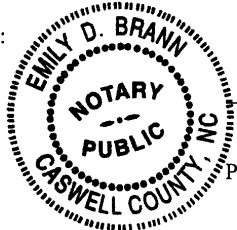
STATE OF NORTH CAROLINA

COUNTY OF PERSON

I, Emily D. Brann, a Notary Public of Caswell County, State of North Carolina, do hereby certify that Walter B. Cates, Attorney-in-Fact for Roderick D. Bolton and wife, Pamela J. Bolton, Dorothy C. Bolton Rodgers and husband, Linwood L. Rodgers, Shirley V. Crawley Rawls (widow), Irma M. Bolton (widow), and Brandon Dwayne Bolton (divorced) personally appeared before me this day and being by my duly sworn, says that he executed the foregoing and annexed instrument for and in behalf of Roderick D. Bolton and wife, Pamela J. Bolton, Dorothy C. Bolton Rodgers and husband, Linwood L. Rodgers, Shirley V. Crawley Rawls (widow), Irma M. Bolton (widow), and Brandon Dwayne Bolton (divorced) and that his authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged, and recorded in the Office of the Register of Deeds of Person County, North Carolina on the 2nd day of November, 2007 in Deed Book 655 at Page 353 and that this instrument was executed under and by virtue of the authority given by said instrument granting him power of attorney; that the said Walter B. Cates acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of the said Roderick D. Bolton and wife, Pamela J. Bolton, Dorothy C. Bolton Rodgers and husband, Linwood L. Rodgers, Shirley V. Crawley Rawls (widow), Irma M. Bolton (widow), and Brandon Dwayne Bolton (divorced).

Witness my hand and official seal, this the 7 day of December, 2007.

My Commission Expires:

7-4-2010

Emily D. Brann
Notary Public

(Affix Notary Seal)

Print Name: Emily D. Brann

Document shows proof /acknowledgement before
officer authorized to take proof /acknowledgement;
acknowledgement includes officer's signature,
commission expiration date, official seal, if required.

Amanda W. Garrett
Amanda W. Garrett, Person County Register of Deeds

#1006239v1

EXHIBIT A

(Description of Property)

The Property is comprised of two (2) parcels of land both lying and being in Cunningham Township, Person County, North Carolina that are more particularly described as follows:

PARCEL NO. 1

BEGINNING at an iron pipe marking a southeastern corner of now or formerly Lindsay Wagstaff, Jr., & John H. Wagstaff, the location of said iron pipe being in the Project Boundary (based on the 420 contour – NGVD 29) and having N.C. Grid Coordinates Y = 1,000,146.11 and X = 1,975,253.06; and runs thence along and with said Project Boundary the following three (3) courses and distances: North 24 degrees 35 minutes 38 seconds East 8.54 feet to an iron pipe, South 87 degrees 53 minutes 29 seconds East 18.82 feet to an iron pipe, and North 63 degrees 34 minutes 51 seconds East 14.07 feet to an iron pipe in a western property line of Carolina Power & Light Company DBA Progress Energy Carolinas, Inc.; thence along and with said western property line of Carolina Power & Light Company DBA Progress Energy Carolinas, Inc., South 00 degrees 56 minutes 29 seconds West 48.86 feet to a point; and thence along and with a northerly property line of Carolina Power & Light Company DBA Progress Energy Carolinas, Inc., North 43 degrees 52 minutes 57 seconds West 49.28 feet to the point of BEGINNING, containing 0.02 acre, more or less, as shown on Progress Energy Carolinas, Inc., Drawing No. L-C-10228, dated November 7, 2007 and recorded on November 29, 2007, in Plat Cabinet 15, Hanger 379, Person County Registry; and being a portion of the land described in the following: (1) a deed from Anthony P. Bolton to Roderick D. Bolton, dated February 2, 2007, and recorded in Book 622, Page 122; (2) a deed from Hazel Currie Purnell, *et vir*, to Roderick D. Bolton, dated February 2, 2007, and recorded in Book 622, Page 124; and (3) a quitclaim deed from Lonzy M. Dixon, *et al.*, to Forrest A. Bolton, *et al.*, dated June 24, 1953, and recorded in Book 73, Page 105, all Person County Registry.

PARCEL NO. 2

BEGINNING at an iron pipe marking a northwestern corner of land owned by Carolina Power & Light Company DBA Progress Energy Carolinas, Inc., that is described in Deed Book 98, Page 327 and a southwestern corner of land owned by Carolina Power & Light Company DBA Progress Energy Carolinas, Inc., that is described in Deed Book 98, Page 373, both Person County Registry, the location of said iron pipe being in the Project Boundary (based on the 420 contour – NGVD 29) and having N. C. Grid Coordinates Y = 1,002,983.55 and X = 1,975,008.26; and runs thence along and with said Project Boundary the following five (5) courses and distances: South 12 degrees 32 minutes 52 seconds West 85.53 feet to an iron pipe, South 07 degrees 33 minutes 23 seconds East 130.94 feet to an iron pipe, South 13 degrees 40 minutes 38 seconds East 80.82 feet to an iron pipe, South 21 degrees 44 minutes 59 seconds West 89.09 feet to an iron pipe, and South 75 degrees 42 minutes 20 seconds West 31.34 feet to an iron pipe in an eastern property line of Carolina Power & Light Company DBA Progress Energy Carolinas, Inc.; thence along and with said eastern property line of Carolina Power & Light Company DBA Progress Energy Carolinas, Inc., North 00 degrees 28 minutes 26

seconds West 550.31 feet to an iron pipe; and thence along and with western property lines of Carolina Power & Light Company DBA Progress Energy Carolinas, Inc., the following three (3) courses and distances: South 14 degrees 54 minutes 49 seconds East 48.29 feet to an iron pipe, South 16 degrees 18 minutes 52 seconds East 114.29 feet to an iron pipe, and South 25 degrees 54 minutes 16 seconds East 12.94 feet to the point of BEGINNING, containing 0.47 acre, more or less, as shown on Progress Energy Carolinas, Inc., Drawing No. L-C-10228 dated November 7, 2007 and recorded on November 29, 2007, in Plat Cabinet 15, Hanger 379, Person County Registry; and being a portion of the land described in the following: (1) a deed from Anthony P. Bolton to Roderick D. Bolton, dated February 2, 2007, and recorded in Book 622, Page 122; (2) a deed from Hazel Currie Purnell, *et vir*, to Roderick D. Bolton, dated February 2, 2007, and recorded in Book 622, Page 124; and (3) a quitclaim deed from Lonzy M. Dixon, *et al.*, to Forrest A. Bolton, *et al.*, dated June 24, 1953, and recorded in Book 73, Page 105, all Person County Registry.

Unofficial Document

Unofficial Document

Unofficial Document

COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

BOOK 98 PAGE 378

This 17 day of ^{Dec} ~~August~~, 1963, before me, Ruth E. Kersey, a Notary Public of Richmond, Virginia, personally came F. D. Gottwald, Jr., who being by me duly sworn, says that he is President of Albemarle Paper Manufacturing Company, and that the seal affixed to the foregoing instrument in writing is the seal of the said Company, and that said writing was signed and sealed by him in behalf of the said corporation by its authority duly given. And the said F. D. Gottwald, Jr. acknowledged the said writing to be the act and deed of the said corporation.

Witness my hand and notarial seal, this 17 day of ^{Dec} ~~August~~, 1963.

Ruth E. Kersey
Notary Public

My commission expires:

My Commission Expires October 11, 1964

North Carolina
Person County

The foregoing certificate of Ruth E. Kersey, a Notary Public of Henrico County, Commonwealth of Virginia, attested by the proper Notarial Seal, is adjudged to be in due form and correct. Let the instrument with the said certificate be registered.

Witness my hand this 30th day of December, 1963.

James W. Williams
Ass't. Clerk Superior Court of
Person County, N. C.

Filed for registration at 10:45 clock A.M

December 30 1963

Registered in the Office of the Register of

Deeds Person County in Book 98

Page 373

J. Allen Barr
Register of Deeds

Unofficial Document

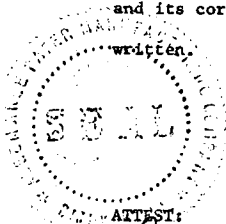
BOOK 98 PAGE 377

and more particularly described as Parcel "C" Not Required (294.59 acres) on the aforesaid Map of Tract No. 22, measuring, when cut, six (6) inches and larger across the tree stump at ground level, with the right to cut and remove the same at any time, and from time to time, prior to January 1, 1965, together with the right of said party of the first part, its employees, agents, and assigns, to enter upon said Parcel "C" Not Required for the purpose of felling, cutting down, and removing said trees, including boughs, tops and the bark thereof, within the time herein limited, with full rights of ingress and egress for personnel and equipment for said purposes; provided that said party of the first part shall compensate the party of the second part for any injury to crops or other property of the party of the second part as a result of the exercise of these reserved rights; and provided further that the title to such of the aforesaid timber as is not removed from the premises by January 1, 1965, shall vest in the party of the second part.

TO HAVE AND TO HOLD the above described tracts or parcels of land, together with all privileges and appurtenances thereunto belonging, unto the said Carolina Power & Light Company, party of the second part, its successors and assigns, in fee simple forever, subject only to the aforesaid reservation of merchantable timber.

And the party of the first part hereby covenants with the party of the second part that it is seized of the above described tracts or parcels of land in fee and has the right to convey the same in fee simple; that said lands are free and clear from all liens and encumbrances; and that it will warrant and forever defend the title thereto against the lawful claims of all persons whomsoever.

IN TESTIMONY WHEREOF, the said party of the first part has caused this deed to be signed in its name by its officers thereunto duly authorized, and its corporate seal to be affixed hereto, the day and year first above



ALBEMARLE PAPER MANUFACTURING COMPANY

By J. O. Barthwald Jr.
President

ATTEST:

Bruce C. Barthwald
Secretary

BOOK 79 PAGE 376

SECOND TRACT

Beginning at an iron pipe marking the intersection of contour elevation 420 feet above mean sea level with a western line of Albemarle Paper Manufacturing Company and an eastern line of T. C. Wagstaff, said point having North Carolina Co-ordinates Y = 984,553.35; X = 1,975,374.97, and said point also being located South 0 degrees 24 minutes 33 seconds East 451.06 feet from a reference corner (being a corner of Albemarle Paper Manufacturing Company and T. C. Wagstaff in a southern line of Ruth H. Satterfield) having North Carolina Co-ordinates Y = 985,004.40; X = 1,975,371.75, and runs thence, with and along said 420-foot contour line, as follows: North 89 degrees 06 minutes 21 seconds East 105.05 feet to an iron pipe, North 78 degrees 11 minutes 29 seconds East 153.05 feet to an iron pipe, North 15 degrees 05 minutes 58 seconds East 122.21 feet to an iron pipe, South 36 degrees 57 minutes 33 seconds East 100.28 feet to an iron pipe, North 69 degrees 27 minutes 06 seconds East 212.27 feet to an iron pipe, North 4 degrees 05 minutes 33 seconds West 74.54 feet to an iron pipe, North 74 degrees 26 minutes 02 seconds East 143.54 feet to an iron pipe, South 71 degrees 48 minutes 25 seconds East 65.18 feet to an iron pipe, North 65 degrees 01 minute 37 seconds East 124.66 feet to an iron pipe, in the run of a branch, South 36 degrees 16 minutes 30 seconds West 165.73 feet to an iron pipe, North 81 degrees 44 minutes 20 seconds West 42.29 feet to an iron pipe, South 52 degrees 30 minutes 33 seconds West 202.70 feet to an iron pipe, South 51 degrees 02 minutes 13 seconds West 190.42 feet to an iron pipe, South 55 degrees 24 minutes 57 seconds West 178.58 feet to an iron pipe, South 20 degrees 48 minutes 25 seconds East 93.05 feet to an iron pipe, South 15 degrees 59 minutes 56 seconds East 129.24 feet to an iron pipe, South 1 degree 32 minutes 25 seconds West 132.23 feet to an iron pipe, South 41 degrees 29 minutes 49 seconds East 89.28 feet to an iron pipe, South 54 degrees 51 minutes 56 seconds East 137.13 feet to an iron pipe, South 2 degrees 55 minutes 29 seconds West 125.17 feet to an iron pipe, in the run of a branch, North 16 degrees 12 minutes 14 seconds West 122.01 feet to an iron pipe, North 79 degrees 20 minutes 21 seconds West 122.30 feet to an iron pipe, North 51 degrees 56 minutes 24 seconds West 150.57 feet to an iron pipe, South 89 degrees 55 minutes 06 seconds West 63.63 feet to an iron pipe, and South 58 degrees 37 minutes 03 seconds West 171.63 feet to an iron pipe in a western line of Albemarle Paper Manufacturing Company and an eastern line of T. C. Wagstaff; thence, with and along said property line, North 0 degrees 24 minutes 33 seconds West 652.13 feet to the point of beginning, containing 6.32 acres, and being the land shown and described as Parcel "A" Required on Map of Tract No. 79A entitled "Land To Be Acquired From Albemarle Paper Manufacturing Company By Carolina Power & Light Co, Hyco River Project, Person County, North Carolina," dated February, 1963, revised 7/19/63, and designated as Drawing No. HY 75, said map having been prepared by Moore, Gardner and Associates, Inc., Consulting Engineers, Asheboro, N. C.

In the event of a discrepancy between any call hereinbefore contained in these descriptions and the aforesaid maps, then the calls contained on said maps shall control.

The party of the first part reserves, however, all the merchantable timber on that portion of the First Tract, above described, which lies above contour elevation 420 feet above mean sea level, such portion of said tract being shown

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47 seconds East 110.96 feet to an iron pipe, South 85 degrees 09 minutes 52 seconds East 70.64 feet to an iron pipe, North 7 degrees 49 minutes 50 seconds East 101.07 feet to an iron pipe, North 5 degrees 35 minutes 40 seconds West 105.63 feet to an iron pipe, North 6 degrees 17 minutes 37 seconds East 146.36 feet to an iron pipe, South 12 degrees 09 minutes 49 seconds East 111.29 feet to an iron pipe, South 28 degrees 29 minutes 34 seconds East 111.65 feet to an iron pipe, South 42 degrees 00 minutes 18 seconds East 159.11 feet to an iron pipe, North 52 degrees 23 minutes 23 seconds East 80.33 feet to an iron pipe, South 0 degrees 22 minutes 17 seconds East 121.56 feet to an iron pipe, South 78 degrees 39 minutes 29 seconds East 46.60 feet to an iron pipe, North 39 degrees 10 minutes 51 seconds East 156.75 feet to an iron pipe, North 39 degrees 30 minutes 45 seconds East 79.40 feet to an iron pipe, South 73 degrees 56 minutes 33 seconds East 62.08 feet to an iron pipe, North 51 degrees 59 minutes 59 seconds East 92.24 feet to an iron pipe, North 75 degrees 02 minutes 28 seconds East 153.57 feet to an iron pipe, and North 2 degrees 46 minutes 12 seconds East 34.52 feet to an iron pipe, a corner of the Embro Hamlet Estate; thence, with and along a southern line of the Embro Hamlet Estate, South 74 degrees 07 minutes 38 seconds East 1,139.39 feet to a stake, another corner of the Embro Hamlet Estate; thence, with and along western lines of the Embro Hamlet Estate and J. H. Blalock, Jr. South 2 degrees 21 minutes 25 seconds West 1,142.61 feet to a stake and South 3 degrees 47 minutes 53 seconds East 2,218.95 feet to a stake, a corner of the Williams Estate; thence, with and along northern lines of the Williams Estate, Hugh Williams, Katie Faulkner, Martha Cooper Link, and the Lottie Woody Estate, North 89 degrees 37 minutes 03 seconds West 2,061.22 feet to a stake, a corner of the Lottie Woody Estate and Forrest Bolton, et al.; thence, with and along northeastern lines of Forrest Bolton, et al., and W. C. Warren, et al., North 26 degrees 14 minutes 48 seconds West 12.93 feet to a stake, North 16 degrees 17 minutes 50 seconds West 114.24 feet to a stake, North 14 degrees 58 minutes 52 seconds West 163.86 feet to a stake, and North 25 degrees 01 minute 54 seconds West 95.99 feet to a stake, a northeastern corner of W. C. Warren, et al.; thence, with and along northern lines of W. C. Warren, et al., Irene Hamlet, Glenn Stovall, Christine Mitchell, Lloyd Dixon, and Kenneth Royster, North 88 degrees 07 minutes 56 seconds West 1,080.25 feet to a stake and North 89 degrees 52 minutes 28 seconds West 1,961.93 feet to a stake, a corner of Kenneth Royster in an eastern line of L. P. Stigall; thence, with and along eastern lines of L. P. Stigall and the Violet Wade Estate, North 1 degree 53 minutes 00 seconds East 1,154.57 feet to a stake and North 0 degrees 59 minutes 24 seconds East 1,246.85 feet to the point of beginning, containing 355.57 acres, and being the land shown and described as Parcel "A" Required (9.86 acres), Parcel "B" Required (51.12 acres), and Parcel "C" Not Required (294.59 acres) on Map of Tract No. 22 entitled "Land To Be Acquired From Albemarle Paper Manufacturing Co., by Carolina Power & Light Co., Hyco River Project, Person County, North Carolina," dated January, 1963, revised 7/15/63 and 8/2/63, and designated as Drawing No. HY 50, said map having been prepared by Moore, Gardner and Associates, Inc., Consulting Engineers, Asheboro, N. C.

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84 degrees 06 minutes 28 seconds East 139.23 feet to
 an iron pipe, North 83 degrees 12 minutes 50 seconds
 East 131.74 feet to an iron pipe, North 28 degrees
 34 minutes 55 seconds East 175.46 feet to an iron pipe,
 North 42 degrees 46 minutes 45 seconds East 106.98 feet
 to an iron pipe, North 22 degrees 01 minute 13 seconds
 East 96.21 feet to an iron pipe, North 20 degrees
 46 minutes 32 seconds West 59.78 feet to an iron pipe,
 North 24 degrees 11 minutes 52 seconds East 85.95 feet
 to an iron pipe, North 24 degrees 41 minutes 20 seconds
 West 94.75 feet to an iron pipe, South 41 degrees
 20 minutes 24 seconds East 93.10 feet to an iron pipe,
 South 15 degrees 03 minutes 14 seconds West 97.60 feet
 to an iron pipe, South 9 degrees 04 minutes 37 seconds
 East 144.76 feet to an iron pipe, South 3 degrees
 34 minutes 10 seconds West 92.12 feet to an iron pipe,
 South 67 degrees 12 minutes 51 seconds East 100.30 feet
 to an iron pipe, North 83 degrees 22 minutes 39 seconds
 East 74.23 feet to an iron pipe, North 52 degrees
 20 minutes 22 seconds East 125.86 feet to an iron pipe,
 North 38 degrees 14 minutes 34 seconds East 125.43 feet
 to an iron pipe, North 4 degrees 04 minutes 15 seconds
 West 95.85 feet to an iron pipe, North 50 degrees
 17 minutes 48 seconds East 107.90 feet to an iron pipe,
 North 73 degrees 25 minutes 04 seconds East 54.71 feet
 to an iron pipe, North 45 degrees 45 minutes 04 seconds
 East 46.62 feet to an iron pipe, South 63 degrees
 10 minutes 58 seconds East 66.79 feet to an iron pipe,
 North 82 degrees 37 minutes 41 seconds East 61.45 feet
 to an iron pipe, North 31 degrees 54 minutes 09 seconds
 East 64.78 feet to an iron pipe, South 10 degrees
 14 minutes 14 seconds East 63.00 feet to an iron pipe,
 South 68 degrees 23 minutes 41 seconds East 138.56 feet
 to an iron pipe, South 36 degrees 11 minutes 12 seconds
 East 93.95 feet to an iron pipe, South 50 degrees
 42 minutes 09 seconds East 101.73 feet to an iron pipe,
 South 69 degrees 52 minutes 31 seconds East 113.81 feet
 to an iron pipe, South 64 degrees 16 minutes 04 seconds
 East 139.72 feet to an iron pipe, South 68 degrees
 55 minutes 39 seconds East 124.55 feet to an iron pipe,
 North 11 degrees 37 minutes 32 seconds West 142.99 feet
 to an iron pipe, North 6 degrees 57 minutes 30 seconds
 East 89.69 feet to an iron pipe, North 12 degrees
 51 minutes 00 seconds East 102.80 feet to an iron pipe,
 North 1 degree 25 minutes 56 seconds East 126.15 feet
 to an iron pipe, South 29 degrees 15 minutes
 36 seconds East 172.21 feet to an iron pipe, South
 23 degrees 53 minutes 49 seconds East 98.79 feet to an
 iron pipe, South 83 degrees 01 minute 27 seconds East
 114.85 feet to an iron pipe, South 82 degrees 07 minutes
 25 seconds East 204.48 feet to an iron pipe, South
 21 degrees 14 minutes 03 seconds East 94.25 feet to an
 iron pipe, North 74 degrees 26 minutes 02 seconds East
 153.16 feet to an iron pipe, North 58 degrees 51 minutes
 32 seconds East 100.07 feet to an iron pipe, North
 29 degrees 35 minutes 58 seconds East 121.74 feet to an
 iron pipe, North 6 degrees 18 minutes 14 seconds East
 54.36 feet to an iron pipe, North 45 degrees 32 minutes
 00 seconds East 57.29 feet to an iron pipe, North
 28 degrees 03 minutes 46 seconds West 70.90 feet to an
 iron pipe, South 61 degrees 03 minutes 25 seconds East
 104.99 feet to an iron pipe, South 57 degrees 03 minutes

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NORTH CAROLINA

PERSON COUNTY

THIS DEED, made this 17th day of December, 1963, by ALBEMARLE

PAPER MANUFACTURING COMPANY, a corporation with its principal office in Richmond, Virginia, party of the first part, to CAROLINA POWER & LIGHT COMPANY, a North Carolina public service corporation, with its principal office in Raleigh, North Carolina, party of the second part,

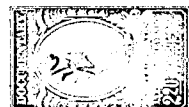
WITNESSETH:

That the party of the first part, for and in consideration of the sum of One Hundred (\$100.00) Dollars and other valuable considerations, receipt of which is hereby duly acknowledged, has bargained, sold and conveyed, and hereby does bargain, sell and convey, unto the said party of the second part, its successors and assigns, the following described tracts or parcels of land:

Lying in Gunningham Township, Person County, North Carolina.

FIRST TRACT

Beginning at an iron pipe marking the intersection of contour elevation 420 feet above mean sea level with a western line of the Albemarle Paper Manufacturing Company and an eastern line of the Violet Wade Estate, said point having North Carolina Co-ordinates Y = 1,005,787.53; X = 1,971,906.90, and said point also being located North 0 degrees 59 minutes 24 seconds East 1,246.85 feet from a reference corner (being a corner of the Violet Wade Estate and L. P. Stigall in said western line of the Albemarle Paper Manufacturing Company) having North Carolina Co-ordinates Y = 1,004,540.87; X = 1,971,885.50, and runs thence with and along said property line North 0 degrees 59 minutes 24 seconds East 42.83 feet to an iron pipe marking contour elevation 420 feet above mean sea level; thence with and along said 420-foot contour line, as follows: South 50 degrees 21 minutes 27 seconds East 132.32 feet to an iron pipe, South 81 degrees 14 minutes 43 seconds East 126.19 feet to an iron pipe, North 54 degrees 52 minutes 30 seconds East 72.05 feet to an iron pipe, North 9 degrees 21 minutes 29 seconds West 65.11 feet to an iron pipe, North 51 degrees 21 minutes 10 seconds East 167.21 feet to an iron pipe, North



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a western line of J. H. Blalock, South 24 degrees 06 minutes 10 seconds East 612.19 feet to the point of beginning, containing 38.68 acres, and being the land shown and described as Parcel "A" Required on Map of Tract No. 23, entitled "Land to be Acquired From Heirs of Gilbert Williams, Deceased, by Carolina Power & Light Company, Hyco River Project, Person County, North Carolina," dated March, 1963, and designated as Drawing No. HY 90, copy of which is attached to and made a part of the petition for condemnation;

and that the defendants be and they hereby are divested and barred of all right, title and interest in such real estate;


3. That the sum of \$3,733.94 is the full, fair and adequate value of and just compensation for the fee simple title to said lands acquired by the petitioner, including damages for the taking thereof;

4. That the Court costs of this proceeding, including an allowance of \$50.00 to Charles B. Wood, Attorney at Law and guardian ad litem, for his services herein, shall be paid by the petitioner;

5. That this cause be and it hereby is retained for the entry of an appropriate order making distribution of the aforesaid sum of \$3,733.94, which is now on deposit with the undersigned Clerk of the Superior Court; and

6. That a certified copy of this judgment shall be recorded in the office of the Register of Deeds of Person County, North Carolina, pursuant to G. S. 40-19.

This 17 day of October, 1963.


Clerk Superior Court
Person County

Filed for registration at 11:45 o'clock A. M

Oct. 17, 1963
Registered in the Office of The Register of

Deeds Person County in Book 98

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Register of Deeds

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North 55 degrees 29 minutes 24 seconds West 105.70 feet to an iron pipe, South 15 degrees 22 minutes 24 seconds West 76.21 feet to an iron pipe, North 73 degrees 10 minutes 25 seconds West 73.68 feet to an iron pipe, North 55 degrees 38 minutes 45 seconds West 76.01 feet to an iron pipe, South 76 degrees 00 minutes 16 seconds West 87.94 feet to an iron pipe, South 44 degrees 45 minutes 54 seconds West 75.60 feet to an iron pipe, South 10 degrees 28 minutes 05 seconds West 94.11 feet to an iron pipe, South 17 degrees 01 minute 52 seconds East 137.16 feet to an iron pipe, South 1 degree 53 minutes 19 seconds East 136.59 feet to an iron pipe, South 23 degrees 47 minutes 35 seconds East 137.25 feet to an iron pipe, North 87 degrees 12 minutes 23 seconds West 53.16 feet to an iron pipe, North 49 degrees 24 minutes 06 seconds West 87.44 feet to an iron pipe, North 28 degrees 04 minutes 33 seconds West 98.25 feet to an iron pipe, North 20 degrees 50 minutes 42 seconds West 117.49 feet to an iron pipe, North 38 degrees 35 minutes 17 seconds West 148.73 feet to an iron pipe, North 33 degrees 07 minutes 12 seconds West 81.02 feet to an iron pipe, South 29 degrees 00 minutes 49 seconds West 119.06 feet to an iron pipe, South 48 degrees 49 minutes 25 seconds West 139.78 feet to an iron pipe, South 24 degrees 59 minutes 07 seconds West 98.73 feet to an iron pipe, South 2 degrees 29 minutes 08 seconds West 123.56 feet to an iron pipe, South 20 degrees 51 minutes 26 seconds West 95.27 feet to an iron pipe, North 20 degrees 51 minutes 30 seconds West 59.42 feet to an iron pipe, North 34 degrees 56 minutes 26 seconds West 90.20 feet to an iron pipe, and North 43 degrees 14 minutes 46 seconds West 77.84 feet to an iron pipe; thence South 0 degrees 21 minutes 59 seconds East 1,193.42 feet to a stake in the center of a field road, a northern line of Kenneth Royster; thence, with and along the center of said field road and with the northern line of Kenneth Royster, South 85 degrees 04 minutes 23 seconds West 65.46 feet to a stake, North 83 degrees 05 minutes 58 seconds West 194.74 feet to a stake, and North 72 degrees 25 minutes 20 seconds West 218.98 feet to a stake, the southeastern corner of Zion Level Baptist Church; thence with and along the eastern line of said Church, North 9 degrees 43 minutes 34 seconds East 172.55 feet to a stake, the northeastern corner of said church; thence with and along the northern line of said church, North 73 degrees 54 minutes 56 seconds West 204.50 feet to a stake in an eastern line of Forrest Bolton; thence, with and along said eastern line of Forrest Bolton, North 0 degrees 53 minutes 26 seconds West 163.82 feet to a stake and North 0 degrees 21 minutes 59 seconds West 664.53 feet to a stake in the run of the South Branch of Cane Creek; thence, with and along the run of said creek and with a northern line of Forrest Bolton, South 75 degrees 49 minutes 22 seconds West 95.33 feet to a stake; thence, continuing with an Eastern line of Forrest Bolton, North 45 degrees 20 minutes 40 seconds West 192.51 feet to a stake, North 8 degrees 20 minutes 18 seconds East 212.40 feet to a stake, North 10 degrees 34 minutes 44 seconds West 171.13 feet to a stake, North 13 degrees 16 minutes 46 seconds West 108.00 feet to a stake, and North 26 degrees 14 minutes 48 seconds West 67.99 feet to a stake in a southern line of Halifax Paper Company; thence, with and along said line of Halifax Paper Company, South 89 degrees 37 minutes 03 seconds East 2,061.22 feet to a stake, a corner of J. H. Blalock; thence, with and along

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charter, together with the power and right to acquire, hold, maintain and develop real and personal property for or in connection with the foregoing purposes; that the fee simple title to the lands described in the petition for condemnation and hereinafter is required by the petitioner for the purpose of conducting its business, and the acquisition thereof by the petitioner is necessary in the public interest; that on September 20, 1963, there was filed in this proceeding a Report of Commissioners wherein compensation and damages for the taking of said lands by the petitioner were assessed in the sum of \$3,733.94, which amount was paid into the hands of the undersigned Clerk of the Superior Court by the petitioner on September 24, 1963; and that no exceptions to said Report of Commissioners have been filed, although the time for the filing of such exceptions has expired. And the Court having concluded that the motion of the petitioner should be allowed, and that judgment should be entered as hereinafter provided.

IT IS, THEREFORE, ORDERED, ADJUDGED, and DECREED as follows:

1. That the Report of Commissioners filed in this proceeding on September 20, 1963, be and it hereby is approved, confirmed and adopted;

2. That the petitioner, Carolina Power & Light Company, its successors and assigns, be and they hereby are vested with the fee simple title to the following described tract or parcel of land, lying and being in Cunningham Township, Person County, North Carolina:

Beginning at an iron pipe marking the intersection of contour elevation 420 feet above mean sea level with an eastern line of the Heirs of Gilbert Williams, Deceased, and a western line of J. H. Blalock, said point having North Carolina Co-ordinates Y = 1,002,408.31; X = 1,977,321.53, and runs thence, with and along said 420-foot contour line, as follows: North 36 degrees 36 minutes 34 seconds West 110.59 feet to an iron pipe, North 61 degrees 20 minutes 23 seconds West 83.32 feet to an iron pipe, North 33 degrees 04 minutes 07 seconds West 123.89 feet to an iron pipe, North 34 degrees 54 minutes 39 seconds West 91.54 feet to an iron pipe, North 75 degrees 27 minutes 19 seconds West 70.43 feet to an iron pipe, North 63 degrees 06 minutes 07 seconds West 61.27 feet to an iron pipe,

NORTH CAROLINA
PERSON COUNTY

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IN THE SUPERIOR COURT
Before the Clerk

CAROLINA POWER & LIGHT COMPANY,

Petitioner

vs.

SALUDIE WADE, Widow; MARTHA LINK COOPER, Widow; KATIE FAULKNER and husband, JOHN FAULKNER; HUGH WILLIAMS and wife, ESTHER WILLIAMS; MATTIE M. TERRELL and husband, JOHNNIE TERRELL; RICHARD MOORE and wife, HELEN MOORE; GILBERT MOORE, Unmarried; SARAH M. CARTER and husband, WILLIAM CARTER; DEQUELLA M. CHAVIOUS and husband, JACK CHAVIOUS; FREZELLE MOORE, Unmarried; CHRISTINE MOORE, Widow; BRANCH MOORE and wife, LUCILLE MOORE; HELEN M. ROYSTER and husband, JAMES ROYSTER; WILLIAM FULLER, Unmarried; MARTHA M. TERRELL, Widow; DAVE CAMPBELL, SR., Unmarried; DAVE CAMPBELL, JR., Unmarried; Heirs at Law of LOTTIE WOODY, Deceased, whose names and residences are unknown, and their respective spouses whose names and residences are unknown; CLIFTON IRVIN; PERSON COUNTY, NORTH CAROLINA; and CHARLES B. WOOD, Attorney at Law and guardian ad litem for the defendants, William Carter and Jack Chavious, whose residences are unknown, and the Heirs at Law of Lottie Woody, deceased, whose names and residences are unknown, and their respective spouses whose names and residences are unknown,

Defendants

JUDGMENT

FILED

17 Day of Oct. 1963
[Signature]
Clerk Superior Court

This proceeding having come on to be heard upon motion of the petitioner for confirmation of the Report of Commissioners herein and the entry of judgment thereon; and it appearing to the Court, and the Court having found as facts, that the petitioner is a public service corporation duly chartered and incorporated under the laws of North Carolina, with its principal office and place of business in the City of Raleigh, State of North Carolina, is authorized to engage and is engaged in supplying electricity for public use, and possesses the power and right to construct, maintain, and operate any and all kinds of plants, works, lines, substations, tracks and systems for the generation, transmission, distribution, regulation, and control of electricity, and for the other purposes specified in its

TO HAVE AND TO HOLD said property, with all privileges and appurtenances thereunto belonging, to the said Grantee, its successors and assigns forever, without exceptions other than as above stated.

The Grantor covenants that he is seized of said property in fee, and has the right to convey the same in fee simple; that the same is free from all encumbrances (with any exceptions above stated); and that he will warrant and defend the title to same against the claims of all persons whomsoever.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or, if corporate, has caused this Deed to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

_____(SEAL) W.C. Warren (SEAL)
 _____(SEAL) Hazel H. Warren (SEAL)
 _____(SEAL) J. I. Warren (SEAL)
 _____(SEAL) Minnie O'Brian Warren (SEAL)
 _____(SEAL) _____(SEAL)
 _____(SEAL) _____(SEAL)

STATE OF NORTH CAROLINA, COUNTY OF PERSON

I, Hilda L. Holt, a Notary Public of said County, do hereby certify that

W. C. Warren and wife, Hazel H. Warren, and J. I. Warren and wife, Minnie O'Brian Warren,

personally appeared before me this day and acknowledged the due execution of the foregoing deed. Witness my hand and official seal, this 14 day of September, 1963

My Commission Expires: 9/27/64 Hilda L. Holt Notary Public

STATE OF _____, COUNTY OF _____

I, _____, a Notary Public of said County, do hereby certify that

personally appeared before me this day and acknowledged the due execution of the foregoing deed. Witness my hand and official seal, this _____ day of _____, 19____.

My Commission Expires: _____ Notary Public

STATE OF _____, COUNTY OF _____

I, _____, a Notary Public of said County, do hereby certify that

personally appeared before me this day and acknowledged the due execution of the foregoing deed. Witness my hand and official seal, this _____ day of _____, 19____.

My Commission Expires: _____ Notary Public

STATE OF _____, COUNTY OF _____

I, _____, a Notary Public of said County, do hereby certify that

personally appeared before me this day and acknowledged the due execution of the foregoing deed. Witness my hand and official seal, this _____ day of _____, 19____.

My Commission Expires: _____ Notary Public

STATE OF NORTH CAROLINA, COUNTY OF PERSON

The foregoing certificate(s) of Hilda L. Holt

a Notary (or Notaries) Public of the governmental units designated is (are) adjudged to be correct. Let said deed and the certificates be registered. This the 14 day of Sept., 1963

Jerma L. Clayton Clerk of Superior Court

Filed for registration on the 14th day of Sept., 1963, at 11:30 o'clock

A. M., and duly recorded in the Office of the Register of Deeds of Person County, North Carolina, in Book of Deeds No. 98, page 281

By J. A. Bay Register of Deeds

Exhibit C

NORTH CAROLINA
PERSON COUNTYBOOK 98 PAGE 281

Exhibit C

THIS DEED, made this 13th day of September 1963, by

W. C. Warren and wife, Hazel H. Warren, of Danville, Virginia, and
J. I. Warren and wife, Minnie O'Briant Warren, of Person County,
North Carolina,

hereinafter called Grantor, to CAROLINA POWER & LIGHT COMPANY, a North Carolina public service corporation, with principal offices in Raleigh, North Carolina, hereinafter called Grantee. The designation Grantor as used herein shall include singular, plural, masculine, feminine, or neuter as required by the context.

WITNESSETH: That the Grantor, in consideration of Ten Dollars (\$10.00) and other
variables

to him paid by the Grantee, the receipt of which is acknowledged, has bargained and sold, and by these presents does bargain, sell and convey to the Grantee, its successors and assigns, subject to any conditions or reservations hereinafter stated, all of the following described real property:

TRACT NO. 1: Lying in Cunningham Township, Person County, North Carolina, and beginning at a corner in the line of lands of Clyde N. Barker, which corner has North Carolina Co-Ordinates Y = 1,007,846.94 and X = 1,979,542.12, and which point is South 89° 02' 34" West 1596.5 feet from the Northwest corner of lands of Marvin Jones et al in the Southern line of lands of Clyde N. Barker, which latter point has North Carolina Co-Ordinates Y = 1,007,873.41 and X = 1,981,138.41; thence with the Southern line of lands of the said Barker North 89° 02' 34" East 1596.5 feet to the aforesaid reference corner; thence with the Western line of lands of Marvin Jones et al South 7° 04' 05" West 657.56 feet; South 0° 27' 45" East 515.04 feet; South 1° 07' 50" West 452.64 feet; South 31° 18' 01" East 168.87 feet to a point in the Western line of the said Jones land at the Northeast corner of lands acquired by the grantee from J. H. Blalock, Jr.; thence with the Northern line of the grantee's Blalock land South 87° 57' 40" West 2326.47 feet to the Northwest corner of the grantee's Blalock land in the Eastern line of lands of the Embro Hamlet Estate; thence with the Eastern line of the said Hamlet Estate lands North 0° 36' 13" East 743.51 feet to the Northeast corner of the said Hamlet lands in the Southern line of lands of Clyde N. Barker; thence with the said Barker's Southern line North 89° 17' 59" East 657.16 feet; thence with the said Barker's Eastern line North 3° 14' 45" East 1070.28 feet to the beginning, containing 75.62 acres, and being the land shown as "PARCEL 'A' REQUIRED" on a plat entitled "Map of Tract No. 15 Land to be Acquired from W. C. & J. I. Warren by Carolina Power & Light Co." made by Moore, Gardner and Associates, Inc. January, 1963, which plat is designated as Drawing No. Hy-43.

TRACT NO. 2: Lying in Cunningham Township, Person County, North Carolina, and beginning at a point in the Northeastern line of lands of Lindsey and Kenneth Wagstaff at the Southwest corner of lands of Forrest Bolton, which point has North Carolina Co-Ordinates Y = 1,000,425.99 and X = 1,974,983.11 (and which corner is marked on the plat hereinafter referred to as "Reference Corner"); thence with the Northwestern line of lands of Lindsey and Kenneth Wagstaff North 43° 53' 22" West 158.83 feet; thence with the Northern line of the said Wagstaff lands South 87° 28' 40" West 140.32 feet to the Southeast corner of lands of Irene Hamlet; thence with the Eastern line of the said Hamlet North 00° 29' 53" West 2819.17 feet to the Northeast corner of the said Hamlet lands in the Southern line of lands of the Halifax Paper Company; thence with the Paper Company's line South 88° 07' 56" East 180.79 feet; South 25° 04' 54" East 95.99 feet; South 14° 58' 52" East 115.53 feet to the Northern tip of lands of Forrest Bolton in the line of lands of Halifax Paper Company; thence with the said Bolton's Western line South 00° 29' 53" East 2722.99 feet to the beginning, being all of the land shown on a plat entitled "Map of Tract No. 90G Land to be Acquired from W. C. Warren et al by Carolina Power & Light Co." surveyed by Moore, Gardner and Associates, Inc. December, 1962, which plat is designated as Drawing No. Hy-27.

All tobacco and other crop allotments are hereby reserved.

In the event of a discrepancy between any call hereinbefore contained in these descriptions and the aforesaid maps, then the calls contained on said maps shall control.

All 1963 crops are hereby reserved by the grantor.



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TO HAVE AND TO HOLD said property, with all privileges and appurtenances thereunto belonging, to the said Grantee, its successors and assigns forever, without exceptions other than as above stated.

The Grantor covenants that he is seized of said property in fee, and has the right to convey the same in fee simple; that the same is free from all encumbrances (with any exceptions above stated); and that he will warrant and defend the title to same against the claims of all persons whomsoever.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or, if corporate, has caused this Deed to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

_____(SEAL) J. H. B. Blalock, Jr. (SEAL)
 _____(SEAL) Mira M. Blalock (SEAL)
 _____(SEAL) _____(SEAL)
 _____(SEAL) _____(SEAL)
 _____(SEAL) _____(SEAL)
 _____(SEAL) _____(SEAL)

STATE OF NORTH CAROLINA, COUNTY OF PERSON

Mary Ellen C. Rogers, a Notary Public of said County, do hereby certify that
J. H. Blalock, Jr. and wife, Mira M. Blalock,

personally appeared before me this day and acknowledged the due execution of the foregoing deed. Witness my hand and official seal, this 30 day of March, 1963.

My Commission Expires: 10 - 28 - 63 Mary Ellen C. Rogers Notary Public

STATE OF NORTH CAROLINA, COUNTY OF PERSON

The foregoing certificate(s) of Mary Ellen C. Rogers

a Notary (~~or Notarize~~) Public of the governmental units designated is (~~was~~) adjudged to be correct. Let said deed and this certificate be registered. This the 30 day of March, 1963.

Germa G. Clayton - Dep. Clerk of Superior Court

Filed for registration on the 30th day of March, 1963, at 10:30 o'clock
A. M., and duly recorded in the Office of the Register of Deeds of Person County, North Carolina, in Book
 of Deeds No. 97, page 6

By

STATE OF NORTH CAROLINA
PERSON COUNTY

The foregoing certificate of Mary Ellen C. Rogers Notary Public
 of Person County with his official seal attached,
 is adjudged to be correct. Let the instrument, with the certificates be registered.
 This the 12 day of July, 1963

Clerk of the Superior Court

Filed for registration at 11:22 o'clock A.M.
July 12, 1963
 Registered in the Office of The Registrar of
 Deeds, Person County, in Book 98
Page 135
J. Alex Bass
 Register of Deeds

NORTH CAROLINA
PERSON COUNTY

BOOK 98 PAGE 6

THIS DEED, made this 30th day of March 1963, by

J. H. Blalock, Jr. and wife, Mira M. Blalock, of Person County,
North Carolina,

hereinafter called Grantor, to CAROLINA POWER & LIGHT COMPANY, a North Carolina public service corporation, with principal offices in Raleigh, North Carolina, hereinafter called Grantee. The designation Grantor as used herein shall include singular, plural, masculine, feminine, or neuter as required by the context.

WITNESSETH: That the Grantor, in consideration of Twenty Thousand, Six Hundred
Twenty Eight and 57/100 Dollars (\$20,628.57)

to him paid by the Grantee, the receipt of which is acknowledged, has bargained and sold, and by these presents does bargain, sell and convey to the Grantee, its successors and assigns, subject to any conditions or reservations hereinafter stated, all of the following described real property:

Lying in Cunningham Township, Person County, North Carolina, on the waters of Cane Creek, and beginning at a point in the center of a farm road leading Easterly from the Dunaway Bridge Road into the Preston Satterfield, Jr. farm, and which beginning point is at the Southeast corner of the Gilbert Williams Estate lands in the Northern line of lands of Kenneth Royster, and has North Carolina Co-Ordinates Y = 1,001,914.25 and X = 1,977,542.66; thence with the Eastern line of the Gilbert Williams Estate lands North 24° 06' 10" West 1153.44 feet to an iron pipe marking the Northeast corner of lands of the Williams Estate with the Southeast corner of lands of Halifax Paper Company; thence with the Eastern line of lands of Halifax Paper Company North 3° 47' 53" West 2218.95 feet to a stone and iron pin marking the Southwest corner of lands of Embro Hamlet Estate in the Eastern line of lands of Halifax Paper Company; thence with the said Hamlet Estate Southern line South 89° 47' 04" East 1884.7 feet to a stone and iron pin marking the Southeast corner of lands of the said Hamlet Estate; thence with the Hamlet Estate Eastern line North 0° 36' 13" East 853.79 feet to an iron pin marking the Southwest corner of lands of W. C. and J. I. Warren in the East line of lands of the Embro Hamlet Estate; thence with the said Warrens' Southern line North 87° 57' 40" East 2326.47 feet to an iron stake marking the Southeast corner of the said Warrens' lands in the Western line of lands of Marvin Jones and others; thence with the said Jones' Western line South 31° 18' 01" East 775.9 feet to a point in Cane Creek, a corner of lands of Marvin Jones and others with lands acquired by Carolina Power & Light Company from Preston Satterfield, Jr.; thence with the line of the Carolina Power & Light Company's Satterfield lands and with Cane Creek South 53° 05' 05" West 210.65 feet; South 59° 35' 52" West 195.24 feet; South 56° 51' 05" West 169.35 feet; South 72° 49' 36" West 370.66 feet; South 63° 02' 59" West 130.08 feet; South 84° 48' 06" West 141.49 feet to a point in Cane Creek marking a Northwest corner of Carolina Power & Light Company's Satterfield lands; thence with the said Company's Western line South 15° 31' 02" East 212.2 feet; South 25° 43' 03" East 171.45 feet; South 47° 00' 48" East 290.39 feet; South 23° 07' 29" East 94.76 feet; South 12° 52' 52" West 103.71 feet to a corner in the said Company's Satterfield lands; thence with the Northern line of the said Company's Satterfield lands North 89° 58' 05" West 2011.62 feet to a Northwest corner of the said Company's Satterfield lands; thence with the Western line of the said Company's Satterfield lands South 4° 49' 47" West 1399.07 feet to the Southwest corner of the said Company's Satterfield lands with a Northwest corner of lands of Kenneth Royster; thence with the said Royster's line South 4° 50' 26" West 482.06 feet; South 61° 59' 58" West 51.03 feet; South 84° 24' 08" West 172.62 feet; South 84° 16' 44" West 435.1 feet; South 66° 40' 03" West 198.08 feet; South 46° 53' 30" West 368.53 feet to the beginning, containing 209.59 acres, as shown on a plat entitled "Map of Tract No. 14 Land to be Acquired from J. H. Blalock, Jr. by Carolina Power & Light Co." surveyed by Moore, Gardner and Associates, Inc. December, 1962, and being designated as Drawing No. Hy-30.

In the event of a discrepancy between any call hereinbefore contained in this description and the aforesaid map, then the calls contained on said map shall control.

The grantor reserves all tobacco and other crop allotments.



UnOfficial Document

Person County Taxes Bill Lookup

*** Important Notes ***

To search, you must fill in at least one input box

Tax Bill Details

Name	: CAROLINA POWER & LIGHT CO
Address	: 550 SOUTH TRYON ST DEC 41B
City	: CHARLOTTE NC
Tax Year	: 2015
Billing Date	: 07/01/2015
Map #	: A13 51
Description	: 41 & 95/100AC/TRT 8
Account #	: 23410 901
Record #	: 2003
\$ Balance Due	: 0.00

[Add to Cart](#)[View Tax Card](#)[View GIS Information](#)[View Photo](#)[Close](#)

Person County, North Carolina - Property Record Card

Map Number: A13 51
Record No: 2003
Data as of: 19 MAY 16 19:36:20

Exhibit C

OWNERSHIP 05192016 23410 901
CAROLINA POWER & LIGHT CO
550 SOUTH TRYON ST DEC 41B
CHARLOTTE NC 28202
DEED: 660 599N12202007 600000- 9

PROPERTY DESCRIPTION
41 & 95/100AC/TRT 8
REMOVE K HOGAN & ADD ELIZABETH
FOR 1994
FRM WILLIAM BRADY FO8
SCOTT RD

TAX SUBDIVISIONS
CUNNINGHAM TOWNSHIP

MAP NUMBER CARD NO
A13 51 1
RECORD NUMBER: 2003
ROUTE CU 106 104
LISTER: DTB100611
REVIEW: DTB102611

TOPO ROLLING STREET UNPAVED UTILITY NONE ZONING 41.95 ACRES

NOTES:
VDO : HAS EASEMENT/STATE APPRAISED

| LAND CLASS | SIZE | BASERATE * FRNT * DPTH * ADJ = ADJRATE * UNITS = LND-VALUE
2- 31 WOODED 1 | 41.95AC | | | | | | | | | 0

LAND VALUE:
| OTHER FEAT | SIZE | BASERATE * COND = ADJRATE * UNITS = OFB-VALUE

OTHER VALUE: 0

FNDATION	XTRFNISH	ROOFTYPE	ROOFMTRL	SIZE/QTY
WALLFNH	FLOORS	HEAT&AIR	HEATFUEL	

EXEMPT 0
| STRUCTURE | SKTCH-SE * SHT = AREA RATE * GRDF + HEAT + EXWL * WLHT = ADJRAT * AREA = RPCN * DEPE * CNDF = STR-VALUE

STRUCTURE VALUE:

VALUATION	VALUE	SALE	S-N%	OLV/AC	TOTAL VALUE
LAND	0	UNQUAL			
OTHERFEAT	0	12202007			
STRUCTURE	0	660- 599			
TOTAL	0	600000	0%		

APPRAISED-VALUE: 0

Addendum C

Comparable Data

Land Sale Profile

Location & Property Identification

Property Name: Lake Keowee Little River Tract

Sub-Property Type: Residential, Single Family Land

Address: East Side of Alexander Road

City/State/Zip: West Union, SC 29696

County: Oconee

Market Orientation: Rural

IRR Event ID: 1107708



Sale Information

Sale Price: \$5,250,000

Eff. R.E. Sale Price: \$5,250,000

Sale Date: 05/01/2016

Sale Status: In-Contract

\$/Acre(Gross): \$4,779

\$/Land SF(Gross): \$0.11

\$/Acre(Usable): \$4,779

\$/Land SF(Usable): \$0.11

Grantor/Seller: Crescent Land & Timber Corp

Property Rights: Fee Simple

% of Interest Conveyed: 100.00

Financing: Cash to seller

Terms of Sale: Arm's length

Document Type: Contract of Sale

Recording No.: N/A

Verified By: M. Kyle Winters, MAI, ASA

Verification Date: 3/2/15

Verification Source: Hank Higgins - Crescent Communities

Verification Type: Confirmed-Seller Broker

Legal/Tax/Parcel ID: 109-00-03-003 and 122-00-01-011

Acres(Usable/Gross): 1,098.48/1,098.48

Land-SF(Usable/Gross): 47,849,789/47,849,789

Usable/Gross Ratio: 1.00

Shape: Irregular

Topography: Rolling

Corner Lot: No

Frontage Desc.: Alexander Creek Road &

Flood Plain: Yes

Flood Zone: Small portion in flood plain

Flood Zone Designation: AE

Utilities: Electricity, Telephone

Utilities Desc.: Well/septic

Source of Land Info.: Other

Comments

Located on Little River arm of Lake Keowee. Approximately 5 miles of lake frontage. Property was under contract to a different owner for \$7.25 million, which fell through. It then went under contract for \$6 million, which also fell through. It most recently went under contract for \$5.25 million.

Improvement and Site Data

MSA: Seneca, SC Micro MSA

Land Sale Profile

Location & Property Identification

Property Name: Lake James Waterfront Tract
Sub-Property Type: Other
Address: NC Hwy 126 & Lake James
City/State/Zip: Morganton, NC 28655
County: Burke

Market Orientation: Suburban

IRR Event ID: 1300898



Sale Information

Sale Price: \$4,561,000
Eff. R.E. Sale Price: \$4,561,000
Sale Date: 12/29/2015
Sale Status: Closed
\$/Acre(Gross): \$9,990
\$/Land SF(Gross): \$0.23
\$/Acre(Usable): \$10,026
\$/Land SF(Usable): \$0.23
Grantor/Seller: Carolina Centers, LLC & Crescent Communities, LLC

Grantee/Buyer: Linville Land Company, LLC
Property Rights: Fee Simple
Financing: Cash to seller
Terms of Sale: Arm's Length
Document Type: Deed
Recording No.: 2217/499
Verified By: M. Kyle Winters, MAI, ASA
Verification Date: 4/1/16
Verification Source: Hank Higgins at Crescent
Verification Type: Confirmed-Seller

Usable/Gross Ratio: 1.00
Shape: Irregular
Topography: Gently Sloping
Frontage Feet: 7880
Frontage Desc.: 7,880' NC 126 & 22,280' Lake
Zoning Code: PRMU (CD) LO
Zoning Desc.: Planned Residential Mixed-Use (CD) w/ Lake Overlay

Utilities: Electricity
Utilities Desc.: Water and sewer w/in extension range (at Southpointe/Dry Creek developments)

Source of Land Info.: Other

Comments

Property has 22,280 linear feet of frontage on Lake James. The seller provided seller financing for the buyer, but the buyer paid it off within 30 days of closing and seller stated it had no effect on the sale price. The buyer intends to develop 12 estate-sized, waterfront lots on the property as well as additional, interior lots on approximately 150 acres. Unusable land area due to road ROW.

Improvement and Site Data

MSA: Hickory-Lenoir-Morganton, NC
Legal/Tax/Parcel ID: 1755435201
Acres(Usable/Gross): 454.91/456.54
Land-SF(Usable/Gross): 19,815,879/19,886,882

Land Sale Profile

Location & Property Identification

Property Name: Lake James Waterfront Tract
Sub-Property Type: Residential
Address: NC 126
City/State/Zip: Morganton, NC 28655
County: Burke

Market Orientation: Rural

IRR Event ID: 1300908



Sale Information

Sale Price: \$1,000,000
Eff. R.E. Sale Price: \$1,000,000
Sale Date: 12/18/2015
Sale Status: Closed
\$/Acre(Gross): \$7,211
\$/Land SF(Gross): \$0.17
\$/Acre(Usable): \$7,211
\$/Land SF(Usable): \$0.17
Grantor/Seller: Carolina Centers, LLC & Crescent Communities, LLC

Grantee/Buyer: River Ridge Properties, LLC
Property Rights: Fee Simple
% of Interest Conveyed: 100.00
Financing: Cash to seller
Terms of Sale: Arm's Length
Document Type: Deed
Recording No.: 2216/500
Verified By: M. Kyle Winters, MAI, ASA
Verification Date: 4/1/16
Verification Source: Hank Higgins at Crescent
Verification Type: Confirmed-Seller

Shape: Very Irregular
Topography: Gently Sloping
Frontage Desc.: NC 126 & Harris Whisnant Rd
Zoning Code: PRMC
Zoning Desc.: Planned Residential Mixed (Conditional)

Flood Zone: Floodplain along lake
Utilities: Water Public, Sewer
Utilities Desc.: All available
Source of Land Info.: Public Records

Comments

Property had approximately 2,880 linear feet of water frontage on Lake James. The buyer could develop 20 waterfront lots with boat slips. Interior lots without water frontage could not have any slips.

Improvement and Site Data

Legal/Tax/Parcel ID: 16747 & 19819
Acres(Usable/Gross): 138.67/138.67
Land-SF(Usable/Gross): 6,040,465/6,040,465
Usable/Gross Ratio: 1.00

Land Sale Profile

Location & Property Identification

Property Name: Lake Rhodhiss Freemason Creek Tract

Sub-Property Type: Residential, Single Family Land

Address: Liberty Road

City/State/Zip: Granite Falls, NC 28630

County: Caldwell

Market Orientation: Rural

IRR Event ID: 1107620



Sale Information

Sale Price: \$1,800,000

Eff. R.E. Sale Price: \$1,800,000

Sale Date: 02/13/2015

Sale Status: Closed

\$/Acre(Gross): \$6,662

\$/Land SF(Gross): \$0.15

\$/Acre(Usable): \$6,662

\$/Land SF(Usable): \$0.15

Grantor/Seller: Crescent Communities, LLC

Grantee/Buyer: Vandrake Investments, LLC

Property Rights: Fee Simple

% of Interest Conveyed: 100.00

Financing: Cash to seller

Terms of Sale: Arm's length

Document Type: Deed

Recording No.: 1865/287

Verified By: M. Kyle Winters, MAI, ASA

Verification Date: 3/2/15

Verification Source: Hank Higgins - Crescent Communities

Verification Type: Confirmed-Seller Broker

Legal/Tax/Parcel ID: 2755702388

Acres(Usable/Gross): 270.19/270.19

Land-SF(Usable/Gross): 11,769,346/11,769,346

Usable/Gross Ratio: 1.00

Shape: Irregular

Topography: Rolling

Corner Lot: No

Frontage Feet: 1225

Frontage Desc.: Liberty Road

Flood Plain: No

Utilities: Electricity

Source of Land Info.: Other

Comments

16,500 feet of lake frontage on Lake Rhodhiss

Improvement and Site Data

MSA: Hickory-Lenoir-Morganton, NC

Land Sale Profile

Location & Property Identification

Property Name: Lake Keowee McAlister Tract

Sub-Property Type: Residential, Single Family Land

Address: McAlister Road

City/State/Zip: West Union, SC 29696

County: Oconee

Market Orientation: Rural

IRR Event ID: 1107589



Sale Information

Sale Price: \$5,499,715

Eff. R.E. Sale Price: \$5,499,715

Sale Date: 06/19/2014

Sale Status: Closed

\$/Acre(Gross): \$10,955

\$/Land SF(Gross): \$0.25

\$/Acre(Usable): \$10,955

\$/Land SF(Usable): \$0.25

Grantor/Seller: Crescent Land and Timber Corp.

Grantee/Buyer: Kiwi Holdings, LLC

Property Rights: Fee Simple

% of Interest Conveyed: 100.00

Financing: Cash to seller

Terms of Sale: Arm's length

Document Type: Deed

Recording No.: 2036/75

Verified By: M. Kyle Winters, MAI, ASA

Verification Date: 3/2/15

Verification Source: Hank Higgins - Crescent Communities

Verification Type: Confirmed-Seller Broker

Legal/Tax/Parcel ID: 162-00-03-004

Acres(Usable/Gross): 502.01/502.01

Land-SF(Usable/Gross): 21,867,556/21,867,556

Usable/Gross Ratio: 1.00

Shape: Irregular

Topography: Rolling

Corner Lot: No

Flood Plain: No

Utilities: Electricity

Source of Land Info.: Other

Comments

25,945 linear feet of water frontage.

Improvement and Site Data

MSA: Seneca, SC Micro MSA

Addendum D
Engagement Letter

Integra Realty Resources
Raleigh

8383 Six Forks Road
Suite 200
Raleigh, NC 27615

T 919.867.1707
F 919.867.1716
www.rrr.com



April 26, 2016

Clarke Hobson
Duke Energy
400 S. Tryon St.
Charlotte, NC 28201

SUBJECT: Proposal/Authorization for Valuation and Consulting Services
Two Acreage Tracts at Lake Hyco
328 acres +/- & 56 acres +/- on Hyco Lake
Person County, NC (the "Subject Property")

Dear Hobson:

Upon your acceptance of this letter agreement, Integra Realty Resources – Raleigh ("IRR – Raleigh"), will prepare an appraisal of the Subject Property.

The purpose of the appraisal is to provide an opinion of the market value of the fee simple interest in the Subject Property. The intended use of the appraisal is for asset valuation. The use of the appraisal by anyone other than you is prohibited. The appraisal will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity.

In accordance with our correspondence, the scope of this assignment will require IRR – Raleigh to consider all relevant and applicable approaches to value as determined during the course of our research, Subject Property analysis and preparation of the report.

The appraisal will be communicated in an **Appraisal Report-Standard**. All work will be performed by the undersigned. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions a copy of which is attached as Attachment I.

Clarke Hobson
Duke Energy
April 26, 2016
Page 2

IRR – Raleigh is an independently owned and operated company. The parties hereto agree that Integra Realty Resources, Inc. (“Integra”) shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR – Raleigh. In addition, it is expressly agreed that in any action which may be brought against IRR – Raleigh and/or any of its officers, owners, managers, directors, agents, subcontractors or employees (the “Integra Parties”), arising out of, relating to, or in any way pertaining to this engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

The total fee for this assignment will be **\$4,000** [including expenses] and the delivery date will be **May 26, 2016**, but subject to extension based upon late delivery of the requested data and scheduled access for inspection. The fees will be due and payable within 30 days of the delivery of the reports. It is understood that simple interest of 15% per annum will accrue on any unpaid balance for compensation due, subject to reduction pursuant to any applicable usury law. We shall also be entitled to recover our costs (including attorneys’ fees), associated with collecting any amounts owed or otherwise incurred in connection with this assignment. If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed.

One electronic copy (.pdf) of the report will be provided. Up to three copies of each appraisal report will be provided upon request. The delivery date is contingent upon the absence of events outside our control, timely access for inspection of the Subject Property, as well as our receipt of all requested information necessary to complete the assignment.

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance or wetlands. Therefore, unless we have been provided with appropriate third party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment and actions.

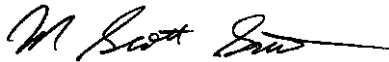
In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our then current hourly rates for such preparation and presentation of testimony. You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, IRR – Raleigh and its partner companies may utilize, sell and include such data (either in the aggregate or individually), in the Integra database and for use in derivative products. You agree that all data already in the public domain may be utilized on an unrestricted basis. Finally, you agree that we may use commercially available as well as proprietary software programs to perform your assignment (web based and others).

Clarke Hobson
Duke Energy
April 26, 2016
Page 3

If you are in agreement with the terms set forth in this letter and wish us to proceed with the engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,

INTEGRA REALTY RESOURCES – RALEIGH



M. Scott Smith, MAI
Director

Attachments

AGREED & ACCEPTED THIS 27th DAY OF APRIL, 2016.

BY: Duke Energy


AUTHORIZED SIGNATURE

ROBERT J. EARLEY
NAME (PRINT)

ATTACHMENT I**STANDARD ASSUMPTIONS & LIMITING CONDITIONS**

The appraisal report and any work product related to the engagement will be limited by the following standard assumptions:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The Subject Property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the Subject Property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the Subject Property more or less valuable. Furthermore, there is no asbestos in the Subject Property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The Subject Property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

The appraisal report and any work product related to the engagement will be subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the Subject Property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the Subject Property without compensation relative to such additional employment.
6. We have made no survey of the Subject Property and assume no responsibility in connection with such matters. Any sketch or survey of the Subject Property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the Subject Property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the Subject Property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.

8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the Subject Property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the Subject Property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the Subject Property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the Subject Property or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. We have not made a specific survey or analysis of the Subject Property to determine whether the physical aspects of the improvements meet the *ADA* accessibility guidelines. We claim no expertise in *ADA* issues, and render no opinion regarding compliance of the Subject Property with *ADA* regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

20. No studies have been provided to us indicating the presence or **absence** of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the Subject Property. IRR – Local City and/or any of its officers, owners, managers, directors, agents, subcontractors or employees (the “Integra Parties”) shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the Subject Property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the Subject Property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the Subject Property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. **IRR – Raleigh is an independently owned and operated company. The parties hereto agree that Integra Realty Resources, Inc. (“Integra”) shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR – Raleigh. In addition, it is expressly agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.**
25. IRR – Raleigh is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client’s use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable.

The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of the Subject Property.

27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.